

Bachelor of Vocation (Banking & Financial Services) - 3rd Sem.
(Batch 2020-23)
(2221)

Paper : BVC-303 Basic Accounting for Financial Managers+Tally

Time allowed: 3 hrs.

Max. Marks: 40

Note :- Attempt five questions selecting at least one from each section. The 5th question may be attempted from any section. All questions carry equal marks.

SECTION-A

1) Write short note on :

- a) Conservatism concept
- b) Dual concept
- c) Consistency convention
- d) Accounting cost concept

2) What is meant by Accounting Standard ? Write a detailed note on standard setting process in India.

SECTION-B

3) "A Trial Balance is merely a proof of arithmetical accuracy". Explain this statement and bring out clearly the various classes of errors, which a trial balance fails to disclose.

4) Journalize the following transactions in the books of Krishna Bros :

- a) Krishna commenced business with Rs. 4,000 of which Rs. 1,500 was borrowed from his wife as loan at 6% interest.
- b) Purchased office equipment for Rs. 200 from Sunder.
- c) Bought goods from Parkash at one month's credit for Rs. 600 of which half were invoiced to Manohar at 30% above cost.
- d) Paid carriage and cartage on goods sold to Manohar chargeable to his account, Rs. 10.
- e) Kulwant sold us goods worth Rs. 800 and he paid railway freight, Rs. 30 on our account.
- f) Office rent Rs. 40 for the month was paid to landlord.

Contd....P/2

- g) Purchased 25 shares of Hindustan Lever ltd. at Rs. 75 per share.
- h) Received Rs. 25 as dividend on the above shares.
- i) Sold goods to Mohinder, Rs. 450.
- j) Gurdial invoiced goods to us, Rs. 930.

SECTION-C

- 5) From the following figures extracted from the books of Mr. Krishna for the year ending 30th April, 2019.

Debit Balance	Rs.	Credit Balance	Rs.
Rates and Taxes	700	Machinery	4,820
Unexpired rates and Taxes	70	Land and Building	12,000
General Expenses	1,766	Debtors	17,860
Purchases	33,437	Salaries	3,862
Carriage Inwards	952	Advertising	10,716
Wages	9,675	Credit balances	
Depreciation furniture	60	Kissinger's Capitol	30,000
Furniture and Fitting	1,140	General reserve	500
Opening Stock	7,834	Loan (Secured) 6%	5,000
Insurance	326	Sales	61,725
Cash in hand	100	Bank Overdraft	543
Sales Return	683	Creditors	10,733
Drawing	2,500		

You are required to prepare trading and Profit and Loss Account for the year ended 30th April, 2019 and Balance Sheet as on the date taking into account the following matters:

- a) Closing stock was valued at Rs 8,931.
 - b) Reserve for doubtful debts is required at 5% of sundry debtors.
 - c) Depreciation to be provided on Machinery @ 10% per annum.
 - d) Wages were paid on proprietors account Rs. 375.
 - e) Sales include sale of furniture on 30th April 2019 for Rs. 700, the book value of furniture sold on that date was Rs 750.
 - f) Advertising is to be written off over three years.
- 6) Discuss the important provisions governing the preparation of statement of balance sheet of partnership firm.

SECTION-D

- 7) Discuss the treatment of the following adjustments while preparing final accounts:
- a) Accrued income
 - b) Interest on capital
 - c) Interest on drawing
 - d) Provision for doubtful debts
- 8) What are the recent trends in published annual reports of a company ? Discuss.
