

Exam. Code : 111803

Subject Code : 3441

**Bachelor of Vocation (Retail Mangement)**

**3<sup>rd</sup> Semester**

**PAPER-BVRM-301 : PRINCIPLES OF  
ACCOUNTING**

Time Allowed—3 Hours]

[Maximum Marks—50

**SECTION—A**

**Note** :— This section consists of **12** very short answer questions. Attempt any **10** questions. Answer to each question should be in about five lines. Each question carries **1** mark.

1. Write short notes :

- (i) Going concern concept
- (ii) Dual aspect concept
- (iii) Revenue expenditure
- (iv) Depreciation
- (v) Business as seprate entity
- (vi) Prepaid income
- (vii) Sole proprietorship
- (viii) Concept of prudence
- (ix) Invoice
- (x) Concept of consistency
- (xi) Trial Balance
- (xii) Bank reconciliation statement.

**SECTION—B**

**Note** :— This section consists of 4 questions. Attempt any 2 questions. Answer to each question should be in about five pages. Each question carries 10 marks.

2. What is a Cash book ? Explain different types of cash books.
3. What do you understand by accounting concepts ? Provide a detailed description of different accounting concepts. Support your answer with suitable examples.
4. Pass journal entries for the following transactions of Mr. Ramesh :

**2017**

- May 1 Started business with cash Rs. 1,00,000
  - May 2 Purchased goods from Star & Co. Rs. 20,000
  - May 3 Bought office furniture for cash Rs. 20,000
  - May 7 Bought from Kumar goods on credit Rs. 30,000
  - May 8 Sold goods to Ravi for Rs. 5,000 against a cheque
  - May 9 Purchased machine from Biswas for Rs. 60,000 out of which Rs. 40,000 paid by cheque
  - May 15 Paid salary to salesman through cheque Rs. 10,000
  - May 20 Cash deposited into bank Rs. 10,000
  - May 21 Received on sale of investment Rs. 37,000
  - May 25 Received cheque from Railways Rs. 1,500
5. Record the following transactions in three columns cash book :

**2017**

Mar 1	Cash Balance	Rs. 12,000
	Bank balance	Rs. 31,500
Mar 2	Received from Mr. A Rs. 6,000 in cash, allowed discount of Rs. 300	
Mar 5	Cash sales	Rs. 6,000
Mar 7	Furniture purchased by cheque	Rs. 2,400
Mar 10	Paid Rs. 7,500 to Mr. B. 50% in cash and 50% by cheque	
Mar 15	Paid rent by cheque	Rs. 4,500
Mar 20	Cash sales	Rs. 45,000
Mar 22	Paid packing charges	Rs. 1,500
Mar 25	Paid into bank	Rs. 15,000

**SECTION—C**

**Note** :— This section consists of 4 questions. Attempt any 2 questions. Answer to each question should be in about five pages. Each question carries 10 marks.

6. What do you understand by depreciation ? Explain different methods of charging depreciation.
7. What is Trading, Profit and Loss Account ? State its purpose and provide a format of the same as per Companies Act, 2013.
8. The Trial Balance of XYZ Manufacturers shows the following balances on 31.03.2017. Closing stock was

valued at Rs. 40,000. Prepare a Trading and Profit and Loss Account for the financial year ended 31.03.2017 and the Balance Sheet as on 31.03.2017.

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Purchases	65,000	Capital account	1,38,500
Sales return	2,000	Sales	1,50,000
Opening stock	1,00,000	Purchase returned	3,000
Plant & machinery	1,00,000	Sundry creditors	40,000
Bank charges	1,000		
Discount allowed	1,000		
Sundry debtors	25,000		
Salaries and wages	20,000		
Freight inward	2,000		
Freight outward	2,500		
Rent	3,000		
Cash at bank	10,000		
<b>Total</b>	<b>3,31,500</b>		<b>3,31,500</b>

9. Ramesh & Co., which specializes in cotton yarn manufacturing, purchased a combing machine for Rs. 5,00,000 on 1<sup>st</sup> January, 2012 and also spent Rs. 20,000 on its installation. It purchased another machine on 30<sup>th</sup> May, 2014 for a sum of Rs. 2,00,000. Assuming a rate of depreciation of 15%, show machinery account for 3 years using straight line method of depreciation.