

BRAINWARE UNIVERSITY

Term End Examination 2018 - 19

Programme – Bachelor of Business Administration

Course Name – Business Accounting

Course Code - BBA202

(Semester - 2)

Time allotted: 3 Hours Full Marks: 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group -A (Multiple Choice Type Question) $10 \times 1 = 10$ 1. Choose the correct alternative from the following Relate the following to Debit and Credit transactions (i) a. Principle of Understanding b. Double Entry Concept d. All of the above c. Principle of Ethics In Accounting Economic Events are identified as (ii) a. Cash b. Bank Statement c. Transactions d. All of the above (iii) Identify the Real Account from the following a. Capital b. Debtors c. Salary d. Rent (iv) If the Accountant posts a Debit entry of ₹200 as ₹100 and posts a Credit entry of ₹300 as ₹400 then this kind of error is recognized as b. Error of Commission a. Error of Principle d. None of the above c. Compensating Error Credit side of the Bank Account is greater than Debit Side, then this employs (v) b. Bank Overdraft a. Bank Dr. Balance d. All of the above c. Current Asset A cash deposit made by the business explained in the Bank statement as (vi) a. Debit b. Credit c. Asset d. Liability

(vii)	A machine purchased on 01.08.2018 for ₹2,00,000, set up cost ₹20,000, rate of depreciation is 10%. The amount of depreciation for the year ended 31.03.2019 will be						
	a.	₹16,667	b.	₹14,567			
		₹14,667		₹14,444			
(viii)	,						
	a.	Schedule III	b.	Schedule II			
	c.	Schedule VI	d.	All of the above			
(ix)	The value of the closing stock is calculated as						
	a.	Cost or Market Price whichever is less	b.	Cost or Market Price higher	whichever is		
	c.	Cost – Market Price	d.	None of the above			
(x)	If Sale	es is ₹44,000 and the profit is	on 10% on	Cost, calculate cost of	the product?		
	a.	₹ 34,000	b.	₹40,000			
	c.	₹55,000	d.	None of the above			
			coup – B wer Type Qu	estions)	3 x 5 = 15		
		•	ver Type Qu	iestions)	$3 \times 3 = 15$		
	•	hree from the following	1 T 1. I	Di	E		
2.		tiate between Cash Discount			5		
3.	•	the requirement of preparing			5		
4.	Cash - ₹ ₹2,000, 1	the Trial Balance from the f 5,000; Trade Receivables - ₹ Reserve - ₹ 3,000, Fixed Ass Assets - ₹ 10,000, Liquid As	10,000, Tradets - ₹ 20,00	de Payables - ₹ 15,000 00, Current Liabilities -	•	1	
5.	Deduce a Bank Reconciliation Statement from the following details — 1. Bank balance as per cash book Rs. 50,000. 2. Cheques issued but not presented for payment Rs. 6,000. 3. The bank had directly collected dividend of Rs. 8,000 and credited to bank account but was not entered in the cash book. 4. Bank charges of Rs. 400 were not entered in the cash book. 5. A cheque for Rs. 6,000 was deposited but not collected by the bank.						
6.	month o March 2 March 5 March 1 March 2	e the Cash Ledger Account I f March 2019— — Opening Balance ₹25000 — Cash Purchase ₹5000, Cre 5 — Credit Sales ₹50,000 5 — Collection from Debtors 0 — Payment to creditors and	edit Purchase except ₹250	e ₹15000).	for the 5		

Group - C

(Long Answer Type Questions)

 $3 \times 15 = 45$

Answer any three from the following

- 7. From the following details construct the Journal Entry and post them into ledger 15 for Essex Steel Pvt. Ltd.— 2019
 - March 1 started business with Cash ₹50,000, Machinery ₹15,000, Furniture ₹8,000.
 - March 2 Purchased stationery for Cash ₹1,000
 - March 3 Purchased computer for Cash ₹12,000
 - March 5 Purchased goods for Cash ₹15,000.
 - March 7 Bank Account opened with Axis Bank ₹15,000
 - March 10 Cheque issued for Rent ₹1,500
 - March 12 Sold goods for Cash ₹8,000
 - March 14 Cash deposited in to bank ₹5,000
 - March 15 Sold Goods to Ghosh Traders ₹10,000
 - March 18 Purchased goods from Dutta & Co. ₹20,000
 - March 20 Cheque received from Ghosh Traders in full settlement of the dues ₹9,000 and the balance is bad debt.
 - March 22 Cheque issued to Dutta & Co. for the amount due to them.
 - March 23 Cash withdrawn for personal use ₹1,000 by the owner.
 - March 25 Cheque issued to Manager for his salary ₹5,000.
 - March 27 Cheque received for amount due ₹2,500
 - March 29 Depreciation charged on Machinery @10%.
 - March 30 Interest from Bank received ₹1,500
- 8. Calculate Cash and Bank Balance from the following data for the month ended on 31.03.2019
 - 1 Cash balance Rs. 2,000; Bank balance Rs. 40,000.
 - 4 Cash sales Rs. 3,700; Credit sales Rs. 1,800 would be received at near future.
 - 6 Paid Ahmed & Bros. by cash Rs. 500; Received cash from debtors Rs. 1,800.
 - 12 Paid to vendor by means of cheque worth Rs. 2,700.
 - 13 Paid Utility bills in cash Rs. 250; Bought goods by cheque Rs. 750.
 - **19** Drew from Bank for office use Rs. 160; Personal withdrawal of cash Rs. 1,000.
 - **20** Received a cheque from Hamid Rs. 2,700 and deposited into the bank.
 - **21** Received by cheque from Munir Rs. 1,360; Discount Rs. 140 (not deposited).
 - 25 Cash sales Rs. 2,100; Paid wages by bank Rs. 1,500.
 - 28 Deposited Munir's check into bank.
 - 29 Payment by cheque to Anees for Rs. 175; Discount received Rs. 25.
 - **30** Munir's cheque has been dishonored and return by bank.

- 9. (a) Discuss the errors that cannot be detected by Trial Balance?
 - (b) From the following details construct the Trial Balance for the month ended 31.01.2019

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Capital - ₹50,000; Machinery - ₹80,000, Sales - ₹ 1,77,000; Purchases - ₹60,000; Purchase Returns - ₹750; Sales Returns - ₹ 1,000; Salaries - ₹6,800; Carriage Inward - ₹750; Bad Debts Provision - ₹525; Advertisement - ₹2,000; Bank balance - ₹6,000; Opening Stock - ₹30,000; Discount Received - ₹800; Discount Allowed - ₹350; Bank Charges - ₹75; Debtors - ₹45,000; Creditors - ₹25,000; Wages - ₹10,000; Carriage Outward - ₹1,200; Rent Paid - ₹10,000; Cash - ₹900.

10. From the following details construct Financial Statements for RBY Ltd. for the 15 year ended 31.03.2019

Particulars	Amount	Doutionlong	Amount
raruculars	(₹)	Particulars	(₹)
Drawings	10,000	Capital	1,,90,000
Building	1,00,000	Sales	1,40,000
Machinery	30,000	Return outward	8,000
Furniture	10,000	Discount Received	2,500
Opening Stock	15,000	Provision for Bad and	1,500
		Doubtful Debts	
Purchase	85,000	Miscellaneous Receipts	1,000
Return Inward	15,000	Creditors	11,000
Wages	12,000		
Salary	8,000		
Debtors	35,000		
Carriage inward	5,000		
Carriage Outward	2,500		
Insurance	1,800		
Rent	1,700		
Discount Allowed	4,000		
Cash in Hand	7,000		
Advertisement	7,000		
Investment	5,000		
	3,54,000		3,54,000

Additional Information:

- (i) Closing Stock valued at cost ₹25,000 (market value ₹28,000).
- (ii) Wages outstanding ₹3,000 and Salary paid in advance ₹1,000.
- (iii) Rent Outstanding ₹300
- (iv) Unexpired Insurance ₹300
- (v) Further Bad Debt ₹3,000, Provision for Bad and Doubtful Debt @5%.
- (vi) Depreciation on Building @5%, on Machinery @ 20%, on Furniture @ 10%.
- 11. Analyze in brief:

(a)	Bank Reconciliation Statement	5
(b)	Contra Entry	5
(c)	Separate Entity Concept	5
