



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 x 1 = 10

1. *Choose the correct alternative from the following*
 - (i) Relate the following to Debit and Credit transactions
 - a. Principle of Understanding
 - b. Double Entry Concept
 - c. Principle of Ethics
 - d. All of the above
 - (ii) In Accounting Economic Events are identified as
 - 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
 - a. Error of Principle
 - b. Error of Commission
 - c. Compensating Error
 - d. None of the above
 - (v) Credit side of the Bank Account is greater than Debit Side, then this employs
 - a. Bank Dr, Balance
 - b. Bank Overdraft
 - c. Current Asset
 - d. All of the above
 - (vi) A cash deposit made by the business explained in the Bank statement as
 - a. Debit
 - b. Credit
 - c. Asset
 - d. Liability

Group – C

(Long Answer Type Questions)

3 x 15 = 45

Answer any *three* from the following

7. From the following details construct the Journal Entry and post them into ledger for Essex Steel Pvt. Ltd.– 2019 15
- 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 March 23 – Cash withdrawn for personal use ₹1,000 by the owner.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 – 15
- 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? 5
- (b) From the following details construct the Trial Balance for the month ended 31.01.2019 10
 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 year ended 31.03.2019 15

Particulars	Amount (₹)	Particulars	Amount (₹)
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 Doubtful Debts	1,500
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