



# B. P. COLLEGE OF BUSINESS ADMINISTRATION

(A Constituent college of Kadi Sarva Vishwavidyalaya)

MID SEM Examination – September – October 2013

Date: 04/10/13

BBA SEM – I

Total marks: 60

Roll No.....

SUB: Principles of Accounting - I (BBA 05) Duration: 3 hrs

## Instructions:

- All questions are compulsory.
- Figures to the right indicate full marks.
- Indicate clearly, the options you attempt along with its respective question number.

Q-1 The following trial balance had been taken from the books of a SAI for the year ended 31<sup>st</sup> Dec 2012:-

**Mark-12**

Particular	Debit	Credit
Purchases & sales	70 000	1 46 000
Returns in & out	1 500	1 600
Carriage inwards	6 000	
Carriage outwards	3 000	
Discount received		6 100
Telephone charges	2 000	
Rent paid	700	
Advertisement	1 100	
Debtors & Creditors	7 700	2 000
Bank loan		10 000
Cash in hand	3 750	
Power charges	1 000	
Salaries & wages	12 000	
Building	40 000	
Plant	35 000	
Machinery	15 000	
Motor car	38 000	
Capital		75 800
Drawings	1 250	
Stock on 1-1-2012	3 500	
<b>Total</b>	<b>2 41 500</b>	<b>2 41 500</b>

### Additional information:-

1. The stock on 31<sup>st</sup> Dec 2012 was valued at Rs. 4 750
2. Power charges unpaid at 31<sup>st</sup> Dec 2003 was Rs. 2 000
3. Salary paid in advance at 31<sup>st</sup> Dec 2003 was Rs. 3 000
4. Depreciate all the fixed assets @ 10 % p.a. on cost
- 5 Provide the provision for bad debts at Rs. 500

Q-2 A] Classify the following accounts

**Mark- 06**

1. Cash account
2. Salaries account
3. Demurrage account
4. Mrs. Saburi a/c
5. KSV account
6. Drawing account
7. Excise account
8. Dividend account
9. Bad debt account
10. Depreciation account
11. Outstanding wages
12. Loose tools account

Q-2 B] Write short note on rules of debit and credit with illustration **Mark- 06**

**OR**

Q-2 B] what is ledger? Explain its importance **Mark- 06**

Q-3 Journalise the following transactions, post them to ledger and make trail balance

**Mark-06**

1. Started business with cash of his own Rs. 10000 and machinery Rs. 20000.
2. Opened a bank account with SBI and paid Rs. 5000 into it.
3. Purchase goods from Rama Rs. 10000
4. Paid Rs. 5000 to Rama
5. Sold goods to Krishna Rs. 4000
6. Krishna paid Rs.3950 and discount allow Rs. 50
7. Received Rs. 1000 for rent from Shiva and Rs. 500 for commission from Sankar
8. Borrowed from Shakti Rs. 10000
9. Paid Rs. 4950 to Rama by cheque

**OR**

Q-3 A] What is double entry system? Explain its advantage and limitation **Mark- 06**

Q-3 B] What is accounting? Explain nature and scope of accounting **Mark- 06**

Q-4 A] Write short note on : A] Purchase book B] Sales book **Mark-04**

Q-4 B] Enter the following transactions in the purchases books, sales books and returns  
Books of shri Ganapati **Mark- 08**

**2012**

- Jun-1: Purchased goods from Mangal at a trade discount of 20% Rs.10000  
Jun-3: of these, half the goods are sold to Rahu at a profit of 20%  
Jun-5: Purchase furniture from Guru on credit Rs. 25000  
Jun-6: Rahu returned defectives goods at Rs. 240 which is return to Mangal  
Jun- 7: Purchased goods of Rs. 2000 from Sani at 20% trade discount and 5 % cash discount  
Jun-8: Sold to Surya goods for cash Rs. 3000  
Jun-9: shukra placed an order to supply goods Rs.1000

**OR**

Q-4 Explain following concept [any three] **Mark- 05**

1. Accrual concept
2. Matching concept
3. Disclosure concept
4. Dual aspect concept
5. Entity concept

Q-4 B] Enter the following transactions in three columnar cash book and find out the balance  
of cash book **Mark-07**

**2012:**

- Sept-1: cash on hand Rs. 2000 and bank balance Rs. 5000.  
Sept-12: received cash from Narayan Rs. 500 and discount allowed to him Rs. 15  
Sept-23: issued a cheque of Rs.325 to satya and co. to settle their account of Rs. 350  
Sept-24: for cash sales, cash received Rs. 550 and cheque received Rs.450  
Sept-25: withdrawn by cheque for personal expenses Rs. 100  
Sept-26: paid cash for advertisement expenses Rs. 500  
Sept-28: received a crossed cheque from brahma Rs. 500  
Sept-30: keeping Rs. 400 cash on hand, the remaining amount was paid into bank

Q-5 Shri Prabhu commenced business on 01-08-2012, his transaction till 31-08-2012 are as follows. Enter them in his journal

**Mark-12**

- Aug-1: started business with cash of his own 10000 and loan from Mrs. Prabhu Rs. 5000. In addition, he brought debtors of Rs. 8000 and goods of Rs. 5000 in business.
- Aug-3: Bought goods of Rs. 5000 from Vikas & co. at trade discount of 10%
- Aug-5: sold goods to Gajanan Rs. 1000
- Aug-8: bought goods of Rs. 4000 from mihir at a trade discount of 15% and cash discount of 5%. Paid half the amount in costs
- Aug-10: settled account of vikas & co. with cash payment of 4000; paid the balance to amount due to mahir & co after deducting cash discount of Rs. 50
- Aug-12: sold goods worth Rs. 1000 to khanna at a trade discount of 5% and cash discount 10% . he paid full amount
- Aug-18: received an order from parimal for supplying goods Rs.3000
- Aug-21: Rs. 1000 was due from Gajanan and a final dividend of 50 paise in a rupees was received today from his receiver
- Aug-22: bought goods of Rs. 3000 at a trade discount of Rs. 200 and a cash discount of 5 % . Paid  $\frac{3}{4}$ <sup>th</sup> amount to bharat
- Aug-25: out of goods purchase from bharat , half the amount was sold to lakhan at a profit of 25%
- Aug-31: Gajanan paid Rs. 150 cash towards bad debts written off previously.

OR

Q-5 Rectify the following errors :

**Mark-12**

1. Credit purchases from Amit not recorded for Rs. 8,000 .
2. Wages paid Rs. 500 for the installation of a new Machinery were recorded in wages A/c.
3. Credit sales to Anil for Rs. 5,000 were posted to Amit's A/c
4. Goods purchased from Ram for Rs. 900 were recorded in Sales Book
5. Goods returned to Amit for Rs. 1,000 entered as Rs. 100
6. Rent paid Rs. 400 wrongly debited to Landlord's A/c
7. Rs. 500, paid for the proprietor's medical bill were debited to "Sundry Expenses A/c"
8. Rs. 2,500, received from Anil were recorded in the Cash Book as Rs. 5,200.
9. Rs.400 Paid To X were Credited to his A/c as Rs. 40
10. Sales Book was overcast by Rs. 200.