647510 **1101201E2060** **Seat No :________**

B.B.A. Semester - 2 (*CBCS*) Examination
June/July-2022 [OLD COURSE]
BUSINESS ACCOUNTING(ELECTIVE)

Time: 2:30 Hours **Marks: 70**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Q.1 The books of Pritam Ltd. Shows a balance of Rs. 84,000 in the machinery account on 1-4-2017. This machine was purchased on 1-4-2013. The company provides depreciation at 10% p.a. by straight line method. It purchased another machine on 1-7-2019 for Rs. 20,000 for which the installation expenses amounted to Rs. 3,000 and carriage amounted to Rs. 2,000. The first machine was sold off on 31-12-2019 for Rs. 20,000. Prepare machinery account. (1-4-17 to 20) (14)

OR

Q.1 From the following particulars of raw materials of Hardik brothers. Prepare stock register for the month of January 2020 as per LIFO method.

Date	Particulars	Units	Quantity	Rate
2020	Opening stock	Dozen	125pcs	48
Jan.1	Good received	Dozen	75pcs	60
Jan.8	Goods sent to job		8doz	
Jan.12	Good received	Dozen	120pcs	72
Jan.15	Goods sent to job		14doz	
Jan.21	Goods received	Dozen	54 PCS	96
Jan.25	Goods returned from 15th		20pcs	
Jan.27	Goods sent on job		84pcs	
Jan.29	Shortage		16pcs	
Jan.30	Goods received	Dozen	50pcs	120
Jan.31	Goods sent on job		4doz	

Q.2 The following is the receipt and payments account of the Gujarat football club for the year ended 31-12-2020: (14)

Receipts	Rs.	Payments	Rs.
1-1-2020		31-12-2020	
Cash in hand	2,000	Remuneration to club coach	5,000
Balance as per bank pass book: Saving account Current account	 19,300 6,000	Groundmen's pay Purchase of equipments Bar room expenses	2,500 15,500 2,000
31-12-2020		Ground rent	2,500
Bank interest	500	Club night expenses	3,800
Entrance fees	1,800	Printing and stationery	3,000
Donations and subscriptions	25,000	Repairs to equipment	5,000
Bar room receipts	4,000	Honorarium to secretary for the year 2019	4,000
Contribution to club night	1,000	Balance at bank as per pass book	
Sale of equipment	800	Saving account Current account	20,400 2,000
Net proceeds of club night	7,800	Cash in hand	2,500
	68,200		68,200

You are given the following additional information (all figures in rupees:)

Particulars	1-1-2020	31-12-2020
(A) Subscriptions due from members	1,500	1,000
(B) Sims due for printing and stationery	1,000	800
(C) Unpresented cheques on current account being payments for repairs	3,000	2,500
(D) Estimated value of equipments	8,000	17,500
(E) Interest on saving bank account not entered in pass book	-	200
(F) for the ended 31-12-2020, the honorarium to secretary are to be increased by a total of Rs. 2,000 and the groundman is to receive a bonus of Rs. 2,000 and opening capital fund Rs. 28,800		

You are required to prepare:

(A) An income and expenditure account for the year ended 31-12-2020; and

(B) A balance sheet as on the date.

OR

Q.2 The following is the trial balance as on 31-3-2020, extracted from the books of the solicitor, Mr. X

Debit balances	Rs.	Credit balances	Rs.
Drawings for the year	30000	Capital	20000
Furniture	6000	Loan from Mrs. X(free of interest)	10000
Salaries	15000	Provision for unrealized profits	8000
Rent	3400	Client deposit account	11000
Work-in-progress(1-4-2019)	3000	Liabilities for expenses	3000
Clients disbursement	3600	Cost(profit)	60000
Miscellaneous expense	4000		
Client control account for bill cost	20000		
Library	15000		
Bank(client)	10950		
Bank(office)	800		
Cash	250		

(A) Work in progress not yet completed on 31-3-2020 was Rs. 4000.

(B) Although specific disbursements for clients are debited to clients' disbursement account, at the time of making bills, certain expenses in condition to specific disbursements account are changed in the bills out of miscellaneous expenses. From a scrutiny of the disbursement account, it appears that Rs. 3800 had not been charged to client.

(C) Out of the balance in disbursements, Rs. 100 had been paid and credited to client, deposit accounts.

(D) Provision at 100% against unrealized profits has been made.

(E) Furniture and library to be depreciated by 20%. Prepare P & L A/c. and balance sheet .

Q.3 The premises of E F Ltd. Were damaged due to fire on 21st Dec. 2020. The company made up its accounts on 30th June, each year. On 30th June, 2020 the stock at cost was Rs. 13,272 as against Rs. 9614 on 30th June, 2019. (14)

The purchases for full year 2019-20 were Rs. 45,258 and that for current year up to date fire were Rs. 34,827. Corresponding sales were Rs. 52000 and Rs. 29,170 respectively.

In October 2020 goods costing Rs. 943 were given as samples for which no entries were made.

During August to November a clerk had misappropriated unrecorded cash. It is estimated that defalcation was at Rs. 20 per week for 20 weeks. A part of stock is salvaged for Rs. 300. Rate of gross profit is constant.

The policy is for Rs. 18,800 with average clause. Ascertain the amount of claim.

OR

Q.3 A and B are in partnership as general traders, sharing profits and losses equally after allowing A salary of Rs. 40,000 p.a. on 1-1-20, their capital account balance were: A-Rs. 1,00,000 B: Rs. 80,000. Their current account balance were. A-Rs. 30,000 (Cr.) ; B-Rs. 20,000(Cr.). on 1-7-20 they admitted C as a partner. From that date, profits were to be shared among A, B and C in the ratio of 2:2:1. C alone is to be receive a salary of Rs. 30,000 p.a

It was agreed that from 1-7-2020, a would transfer Rs. 20,000 from his capital account to a loan account on which interest would be paid at 10% p.a. C brought his private car in to the firm as a valuation Rs. 50,000.

No entries to reflect the foregoing matters were made in the books before the end of the accounting year on 31-12-2020.

The following information is available for the year ended 31-12-2020: sales (spread evenly throughout the year) Rs. 8,00,000: cost of sales Rs. 3,50,000; rent and rates Rs. 1,00,000; salaries Rs. 1,40,000; general exp. Rs. 60,000.

The car is to be depreciated over 4 years on straight line basis. It is assumed it will have a nil residual balance.

Of the general expenses Rs. 20,000 was incurred in the six months ended 30-6-2020. All sales produce a uniform rate of gross profit.

Prepare: (1) The trading and profit and loss account for the year ended 31-12-2020;

(2) The profit and loss appropriation account for the year ended 31-12-2020; and

(3) The partners capital and current account as on 31-12-2020.

Q.4 X and Y are partners of a partnership firm sharing the profit and loss in the proportion of 3:2. From the trial balance of as at 31-03-2020 and other information, prepare the trading account, profit and loss account, profit and loss app. Account and balance sheet. (14)

Trial balance

Name of account	Debit Rs.	Credit Rs.
Purchase and sale	90,000	1,40,000
Debtors and creditors	44,000	20,000
Capital and drawings X Y	 8,000 11,000	 60,000 1,00,000
Opening stock and loan of 10%	30,000	20,000
Bad debts and bad bebts reserve	5,000	3,000
Good returns	8,000	20,000
Furniture and outstanding salary	40,000	4,000
Cash and bank	16,200	5,000
Bills	5,000	4,400
Building	64,000	-
Depreciation of building	6,000	-
Apprentice premium (from 1.10.2019 for 3 years)	-	4,800
Cess (mahajana lago)	6,000	-
Wages	12,000	-
Salary	36,000	-
	3,81,200	3,81,200

Additional information:

(1) Closing stock was Rs. 16,000 out of which the market value of 10% goods is 20% less.
(2) Increased rate of depreciation on building to 10% and calculate 5% depreciation on furniture.
(3) Bank has paid Rs. 2,000 of bills payable, which is not recorded.
(4) Write off Rs. 4,000 from debtors as bad debts and provide 5% for bad debts reserve.

Calculate 8% interest on capital and 10% interest on drawings.

OR

Q.4 Ram and Shyam are carrying on a Surdhara commercial institute in partnership. Half of the profit they share equally and balance in the ratio of their capital. From the following trial balance and given adjustment, prepare profit & loss account for the year ending 31-03-2020, and the balance sheet as on that date.

Trial balance as on 31-03-2020

Account	Debit Rs.	Credit Rs.
Capital and drawing of Ram	10,000	60,000
Capital and drawing of Shyam	12,000	40,000
Salary	30,000	-
Rent	5,000	-
Remington type write machine	2,00,000	-
Tuition fees	-	1,05,000
Investment in shares	20,000	-
Dividend on shares	-	2,000
Rent of type writer	-	3,000
Repairing of type writer	3,000	-
Stationary	2,500	-
Sundry exp.	1,500	-
Furniture	15,000	-
Creditors	-	40,000
Taxes	3,500	-
Post office savings account	5,000	-
Bank balance	12,000	-
Cash balance	4,500	-
Insurance premium	1,000	-
Loan of finance corporation	-	75,000
	3,25,000	3,25,000

Adjustment:

(1) Tuition fee yet to be received are Rs. 10,000.
(2) Depreciation on type writer machines is to be provided at 5%.
(3) Interest at 5% is to be given on finance corporation's loan.
(4) Shyam is entitled to 5% commission on the net profit after charging his commission.
(5) Partners' capital are entitled for 5% interest and interest is to be recovered on drawings as under : Ram Rs. 500 and Shyam : Rs. 610.

Q.5 Explain the history of accounting standard in Indian context. (14)

OR

Q.5 (A) List out the seven accounting standard. (07)

(B) Objectives of accounting standards. (07)

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