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

B.B.A. Semester - 2 (*CBCS*) Examination
March/April - 2024 (As Per Syllabus Year-2016)
BUSINESS ACCOUNTING (ELECTIVE)

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

Instructions:

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

Que.1 List out the names of Accounting Standards Published by ICAI in India and Explain its Objective. (14)

OR

Que.1 Write detailed Note on any Two Following.

(1) IND AS 1: Disclosure of Accounting Policies
(2) IND AS 6: Depreciation Accounting
(3) IND AS 9: Revenue Recognition
(4) IND AS 10: Accounting for Fixed assets

Que.2 The receipts and issues of item of material in a factory during March 2022 are as follow. (14)

March 1	Opening balance	300 Kgs @ Rs. 20
March 3	Issued	100 Kgs
March 9	Purchase	400 Kgs @ Rs. 21
March 16	Issued	300 Kgs
March 18	Returned from job (out of 3rd March)	20 Kgs
March 21	Purchase	600 Kgs @ Rs. 19
March 27	Issued	200 Kgs

The receipt of the stock revealed that there was a shortage of 10 Kgs on 31st March

Prepare stock Register as per FIFO & LIFO Method.

OR

Que.2 A company purchased costing Rs. 1,80,000 on 1-4-2021, installation cost amount Rs.20,000. On 1-10-2021 another machine costing Rs. 1,12,000 was purchased. Its installation cost amounted Rs. 8,000. On 1-07-2022, one more machine costing Rs.72,000 was installed. On 1-07-2023, ¼th of machine purchased on 1-4-2021 was sold for Rs. 20,000. Depreciation is charged as per Straight Line Method @ 10% per annum year ending is 31st December.

Prepare Machinery A/C up to year ending 31-12-2023 and Write Journal Entries.

Que.3 The Parekh Club presents the following trial balance on 31st march 2023. Prepare income and expenditure account and balance sheet as on the same date: (14)

Debit Balances	Rs.	Credit Balances	Rs.
Office staff salary	20,000	Income from Entertainment	
Postage-Telegram Exp.	2,400	Programme	30,000
Honorarium to secretary	24,000	Interest on Investment	4,480
Sundry Exp.	6,400	Subscription	1,60,000
Repairs	1,600	Sale of old newspaper	800
Subscription for News paper	5,400	Entrance fees	7,200
Free ship given from Education Fund	8,000	Donation	31,200
Education Fund Investment	60,000	Education fund	60,000
Canteen Exp	37,000	Income from Education Fund	
Exp for Entertainment Programme	18,200	Investment	5,600
Purchase of Sports Equip. (1-1-2023)	23,200	Canteen income	52,000
Purchase of Furniture (1-10-2022)	10,000	Sundry receipt	3,720
Sports Equipments	1,10,000	Capital Fund	2,70,000

Investments	44,800		
Fixed Deposit in Bank	40,000		
Building	1,80,000		
Furniture	24,000		
Cash	10,000		
	6,25,000		6,25,000

Additional Information:

(1) Honorarium to secretary outstanding is Rs. 6,000
(2) Subscription due is Rs. 10,000 and Subscription received in advance Rs. 12,000
(3) Half of the Entrance Fees is Capitalised.
(4) Interest due on education fund investment is Rs. 400
(5) Provide Depreciation @ 10% on sports Equipments and @ 6% on Furniture.

OR

Que.3 Solicitor Ramesh submit to you the following trial balance for his financial year ending on 31-03-2023 Prepare his final accounts.

Debit balance	Amount	Credit balance	Amount
Library books	22,500	Capital	25000
Office equipment	15,000	Reserve for outstanding fees (1-04-22)	8,000
Office building	37,500	Bills of fees	98,000
Office expenses	12,500	Apprentice premium	
		(Received on 1-04-22 for two years)	5,000
Salaries and allowances	15,000	Outstanding salary	3,000
Bank balance:			
Office	10,000		
Clients	5,000		
Cash on hand	1,500		
Debtors for fees	12,500		
Clients sundry expenses	7,500		
	1,39,000		,1,39,000

Additional Information:

(1) Rs. 3,000 fee received in advance from clients is wrongly included in bills of fees.
(2) Office expenses of Rs 500 are included in sundry expenses for clients by mistake.
(3) Interest is to be counted 20% on capital.
(4) Depreciate at 10% on office building, office equipments and library books.

Que.4 There was a fire in the Godown of Mr. Parth on 15-03-2023 Stock was destroyed except stock of Rs. 2,880 by fire. Prepare Claim Statement from the following information. (14)

Particulars	2020	2021	2022	15-03-2023
Purchases	86,720	89,600	1,03,200	44,800
Sales	1,28,000	1,20,000	1,44,000	48,000
Wages	19,200	8,000	10,400	4,800
Depreciation	6,400	6,400	5,600	1,600
Opening stock	44,000	35,200	26,400	8,800
Stock is valued higher by 10%				

OR

Que.4 Kishor, Kamal and Priyal are partners of a firm sharing Profit and loss in the ratio of 4:2:1

On 01-04-2022 their capital accounts showing credit balance of Rs, 60,000,Rs, 45,000,and Rs,15,000 respectively Their drawings during the year were Rs,15000, Rs,9,000 and Rs,6,000 Respectively. Interest is to be calculated @ 10%p.a. on partner's capital. Interest on Drawing is to be charged as under.

Kishor: 3,600
Kamal: 2,400
Priyal: 1,500

Before giving the effects of above adjustments the profit of the firm for the year ending 31-3-2022was Rs, 37,575. Manager of the firm is to be given a Commission of 5% on net divisible profit after charging his Commission. On 31-3-2023 the Partners have decided to maintain the capital of the firm to be Rs, 1,26,000 in Profit-loss sharing ratio. Prepare Profit and Loss Appro. A/c Partners Capital A/c

Que.5 A and B Are Partners of A Partnership Firm from the Trial Balance-Sheet as On 31-03-2023 And Adjustments Prepare Final Accounts. (14)

Debit Balance	Amt.	Credit Balance	Amt.
Drawings: A:	4,800	Capital: A:	24,000
B:	3,200	B:	16,000
Purchase	1,06,000	Sales	2,00,000
Stock Of Goods (31-3-23)	28,000	Goods Dispatched As Sample	2,000
Wages / Salary	10,000	Bank Overdraft	14,000
Office Equipments	4,000	Creditors	30,000
Stock Of Packing Materials	4,000		
Trading Expenses	16,000		
Building	50,000		
Debtors	48,000		
Furniture & fittings	10,000		
Cash Balance	2,000		
	2,86,000		2,86,000

Adjustments:

(1) Calculate 8% Interest on Capital And 12% Interest on Drawings. A has Withdrawn Rs. 400 At the End of Every Month and B Has Withdrawn On 01-10-2022

(2) A Credit Sales of Rs. 10,000 Is to Be Unrecorded, The Total Sales of Book Is Overcast by Rs. 2,000.

(3) Write Off Additional Bad Debts of Rs. 2,000 and Provide 5% for BDR.

(4) The Fittings of Rs. 4,000 Became Obsolete. For This Accounting Treatment Is Not Given.

(5) On Failure of Supply of Goods to A Customer, The Court Has Approved A Claim Rs. 4,000

(6) Rs.2, 000 As Outstanding Wages Is Recorded in Wages Account, But Recording in Outstanding Wages Account Is Left Unrecorded

OR

Que.5 Aanand and Vihar are partners of a partnership firm, sharing P & L ratio 3:2.
From the Trial balance and adjustments Prepare following A/C

(1) Profit & Loss A/C
(2) P & L Appropriation A/C
(3) Partner's Capital A/C
(4) Balance-sheet

Trial Balance of A and B as on 31-03-2022			
Debit Balance	Amt.	Credit Balance	Amt.
Drawings:		Capital:	
Aanand	5,000	Aanand	55,000
Vihar	5,000	Vihar	45,000
Leasehold Building (From1-04-2021 for 10 years)	60,000	A's Loan (From 1-07-2021)	50,000
Discount Allowed	350	Discount Received	400
Debtors	40,000	Creditors	25,000
Carriage Outward	1,200	Commission	2,500
Furniture	5,000	Bills Payable	5,000
Salary	7,500	Trading A/C	97,250
Bad debts	1,200		
Bills receivable	20,000		
Trading Exp	5,900		
Cash	6,000		
Stock (31-03-2022)	73,000		
Machinery (Office)	50,000		
	280150		280150

Adjustments:

(1) Calculate Dep. On Machine @ 6% and on Furniture @ 20%
(2) From debtors write off Rs. 500 as bad debts
(3) Rs.5,000 and Rs. 4,000 are payable as annual salary to Aanand and Vihar respectively
(4) Rs. 500 of commission yet to be received
(5) Rs. 3,000 outstanding salaries

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