647510 **BBA2BacC102x** **Seat No :________**

# B.B.A. Semester - 2 (*CBCS*) Examination
# March/April – 2026 (New Course)
# Business Accounting (CORE)

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

**Instructions:**

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

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Que.1 Explain the meaning of Accounting Standards and discuss its objectives. (14)

OR

Que.1 Write a short note on Accounting Standards Board of India.

Que.2 Rohit Ltd. writes off depreciation at 10% p.a. on diminishing balance On 1st January 2010 the machinery account showed a balance of Rs. 4,86,000. During the year 2010, part of the machinery purchased on Ist January, 2008 for Rs. 40,000 was sold for Rs. 22,500 on 1st July, 2010 and a new machinery was purchased at a cost of Rs. 78,000 and installed on the same date, the installation charges being Rs. 5,000. The Company changed its method of depreciation from diminishing balance method to straight line method with effect from 1st January. 2008 and wants to adjust the difference in the accounts for 2010. The rate of depreciation remains the same as before. (14)

Prepare the Machinery Account for the year 2010.

OR

Que.2 From the following information of Dharmesh Eng. Prepare stock register adopting the FIFO method for the month of March 2010:

| 2010 | Kgs. | Rate |
|---|---|---|
| March 1 Purchases | 1,700 | 2.50 |
| March 6 Returned from Job (Out of materials issued on 3-3) | 100 | |
| March 7 Purchases | 1,200 | 3.00 |
| March 10 Purchases | 500 | 3.80 |
| March 16 Purchases | 2,000 | 2.55 |
| March 28 Purchases | 200 | 3.75 |
| March 3 Issue | 1,000 | |
| March 12 Issue | 1,500 | |
| March 21 Issue | 2,500 | |

On 31st March 2010 the stock verifier detected a shortage of 20 kgs

Que.3 The Sun-shine Club presents the following Trial Balance on 31-3-2010, Prepare an Income and Expenditure Account and Balance Sheet as on the same date: (14)

| Debit balances | Rs. | Credit balances | Rs. |
|---|---|---|---|
| Office staff salary | 10,000 | Income from Entertainment Prog. | 15,000 |
| Postage-Telegram expense | 1.200 | Interest on investments | 2,240 |
| Honorarium to Secretary | 12,000 | Subscription | 80,000 |
| Sundry expenses | 3,200 | Sale of old newspapers | 400 |
| Repairs | 800 | Entrance fees | 3,600 |
| Subscription for newspaper | 2,700 | Donation | 15,600 |
| Free ship given from education fund | 4,000 | Education Fund | 30,000 |
| Education fund investment | 30,000 | Income from Education Fund Investments | 2,800 |
| Canteen Expenses | 18,500 | Canteen Income | 26,000 |
| Expenses for entertainment programme | 9,100 | Sundry Receipts | 1.860 |
| Purchase of Sports Equipments 1st Jan 2009 | 11,600 | Capital Fund | 1,35,000 |
| Purchase of Furniture (1/10/2009) | 5,000 | | |
| Sports Equipments | 55,000 | | |
| Investments | 22,400 | | |
| Fixed Deposit in Bank | 20,000 | | |

| | | | |
|---|---|---|---|
| Building<br>Furniture<br>Cash balance | 90,000<br>12,000<br>5,000 | | |
| | 3,12,500 | | 3,12,500 |

Additional Informations:

(1) Honorarium to secretary outstanding Rs. 3,000.
(2) Subscription due Rs. 5,000 and subscription received in advance Rs. 6,000.
(3) Half of the entrance fees is capitalised.
(4) Interest due on education fund investments is Rs. 200.
(5) Provide depreciation at 10% on Sports Equipments and 6% on Furniture per annum.

OR

Que.3 Mr. Self-made, a solicitor, has furnished to you the following particulars regarding his practice for the financial year ending on 31-3-2010:

Following information is given in Rupees

| | |
|---|---|
| Profit Costs charged to clients | 36,000 |
| Office Rent | 3,000 |
| Office Salaries | 9,000 |
| Self-made's Capital | 20,000 |
| Drawings for house-expenses | 8,000 |
| Advance 'received from clients on account of pending matters | 6,000 |
| Office expenses | 9,100 |
| Furniture & Library | 9,000 |
| Due from clients in respect of profit costs | 8,000 |
| Disbursements made on behalf of clients | 3,000 |
| Sundry creditors | 350 |
| Bank Balance-Client's Account | 5,000 |
| Bank Balance-Office Account | 8,250 |

You have been requested to prepare his Profit and Loss Account and Balance Sheet after considering the following points:

(A) An amount of Rs. 100 being sundry petty expenses incurred on behalf of clients is included in 'Office Expenses'.

(B) A sum of Rs. 50 which was received from a client against disbursements made on his behalf has been included in Advance received from Clients'.

Que.4 The following information is available from the Cash Book and certain rough statements maintained by Mr. Rajesh Pilot in respect of his business: (14)

| Particulars | 1/04/2009 | 31/03/2010 |
|---|---|---|
| Sundry Debtors | 48,000 | 75,000 |
| Sundry Creditors | 31,000 | 52,000 |
| Stock-in trade | 87,000 | 55,000 |
| Bills Receivable | 2,000 | 5,000 |
| Bills Payable | 3,000 | 4,000 |

Transactions During the year 2009-2010 (in Rs)

| | |
|---|---|
| Cash received from debtors | 5,41,000 |
| Cash received from bills receivable | 47,000 |
| Cash sales | 11,000 |
| Cash paid to creditors | 4,36,000 |
| Cash paid for bills payable | 9,000 |
| Returns outward | 6,000 |
| Discount earned | 4,000 |
| Returns inward | 5,000 |
| Discount allowed | 3000 |
| Bad debts written off | 2000 |
| Cash purchases | 3000 |

From the above mentioned information, you are requested to ascertain credit purchases and credit sales.

OR

Que.4 Shri Madhur had taken a policy of loss of profit for Rs. 1,03,600 with indemnity period of 4 months. His financial year closes on 31st December. From the information given below, prepare statement of loss of profit to be submitted to insurance company.

(1) Date of fire 01-05-2023.
(2) Net profit of last financial year was Rs. 70,000 and insured fixed expenses were Rs. 1,50,000.
(3) The figures of sales for four months' period ending on 30th April, 31st August and 31st December were as under:
    2022: Rs. 3,75,000, Rs. 4,50,000, Rs. 1,75,000
    2023: Rs. 3,00,000, Rs. 75,000, Rs. ---
(4) There will be decrease of sales by 20% in the year 2023 as against 2022 and rate of profit will be decreased by 2% in 2023 as compared to 2022.

Que.5 Mahi and Rahi are partners sharing profit-loss in the proportion of 6:4. From the given trial balance dated 3 1-3-2017 and adjustments, prepare final accounts of partnership firm. (14)

Trial Balance of partnership firm of Mahi and Rahi as on 31-3-2017

| Debit Balance | Amt. (Rs.) | Credit Balance | Amt. (Rs.) |
|---|---|---|---|
| Drawing : | | Capital Accounts: | |
| Mahi 3,000 | | Mahi | 20,000 |
| Rahi 2,000 | 5,000 | Rahi | 12,500 |
| Opening stock | 1,750 | Sales | 2,00,000 |
| Purchase | 1,38,750 | Purchase return | 1,250 |
| Travelling expense: | | Discount and allowance | 1,250 |
| Rahi | 3,000 | Dividend on share of SBI | 50 |
| Salesman | 5,250 | Bank A/c | 3,000 |
| Salary: | | Creditors | 1,250 |
| Accountant | 2,500 | Loan borrowed from friend | 2,500 |
| Collection clerk | 1,250 | | |
| Shop rent | 900 | | |
| Debtors | 5,000 | | |
| Carriage(goods) | 7,500 | | |
| Advertisement expense | 10,000 | | |
| Prepaid rent of shop(1-4-16) | 75 | | |
| Discount and allowance | 4,250 | | |
| Donation expense | 10,000 | | |
| Income tax | 12,500 | | |
| Professional tax | 125 | | |
| Bank overdraft interest | 6,000 | | |
| Bank commission | 250 | | |
| Share of SBI | 500 | | |
| Fixed assets | 1,250 | | |
| Fixed assets maintenance | 500 | | |
| Cash balance | 450 | | |
| Goodwill | 25,000 | | |
| | 2,41,800 | | 2,41,800 |

Adjustments:

(1) Provide 12 % interest on capital of partners and 5 % on drawings.
(2) 3 % commission on sales is payable to Mahi.
(3) Every month Rs.300 is payable to Rahi for travelling expense done for business
(4) Rs.50 interest is outstanding on loan of friend.
(5) Shop rent is paid for 12 months for the year ending on 30-4-20.
(6) Provide 20 % depreciation on fixed assets.
(7) There is doubtful recovery of Rs.250.
(8) Closing stock Rs.19,025.

OR

Que.5 From the following Trial Balance dated 31-3-2017 and adjustments prepare final accounts of partnership firm of Parekh and Mehta.

Trial Balance as on 31-3-2017 of Partnership Firm of Parekh and Mehta

| Debit Balances | Amt. (Rs.) | Credit Balance | Amt. (Rs.) |
|---|---|---|---|
| Opening stock | 30,000 | Capital: | |
| Purchase | 4,00,000 | Parekh | 50,000 |
| Debtors | 1,50,000 | Mehta | 50,000 |
| Cash and Bank | 12,000 | Creditors | 50,000 |
| Rent-taxes | 3,000 | Sales | 6,00,000 |
| Insurance premium | 9,000 | | |
| Salary | 42,000 | | |
| Carriage inward | 18,000 | | |
| Carriage outward | 21,000 | | |
| Recoverable claims | 5,000 | | |
| Advertisement suspense A/c | 9,000 | | |
| Furniture and fitting (C.P. Rs. 30,000) | 23,000 | | |
| Office equipments (C.P. Rs. 15,000) | 10,000 | | |
| Tender deposit (from 1-10-16) | 6,000 | | |
| Bills receivables | 6,000 | | |
| Bad debts | 4,000 | | |
| Electricity expense | 2,000 | | |
| | 7,50,000 | | 7,50,000 |

Adjustments:

(1) Closing stock was Rs.1,05,000.
(2) A purchase bill of Rs.15,000 is received from creditors, but not recorded.
(3) Recoverable claims from insurance company settled for Rs.2000.
(4) From the advertisement suspense account, written off 50 % as an advertisement expense of current year.
(5) Provide depreciation at 5 % on furniture and fittings and office equipment as per straight line method.
(6) Rs.1000 paid in advance for insurance premium.
(7) 12 % interest is receivable on tender deposit.
(8) A discounted bill of Rs.2000 was dishonored on 30-3-2017, which was earliar discounted in the bank.
(9) Provide 2 % bad debts reserve on debtors.

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