

BBA-104(N)**B. B. A. (First Semester)
EXAMINATION, Dec., 2019**

Paper Fourth

BOOK-KEEPING AND BASIC ACCOUNTING

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt questions from all Sections as directed.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A**(Short Answer Type Questions)**

Note : All questions are compulsory. Each question carries 3 marks.

1. Explain the following :

- (A) Various users of Accounting Information
- (B) Business entity concept
- (C) Principle of materiality
- (D) Accounting cycle
- (E) Accounting standards

- (F) Deferred Revenue Expenditure
- (G) Methods of Inventory valuation
- (H) Difference between forfeited of shares and surrender of shares
- (I) Oversubscription of shares
- (J) Reserve and Provision

Section—B**(Long Answer Type Questions)**

Note : Attempt any two questions. Each question carries 10 marks.

2. Explain the important stages of accounting cycle for recording of business transactions.
3. What is sinking fund method of depreciation ? Give journal entries under this method.
4. A sent goods to B on Consignment.
From the following information, prepare Consignment A/c in the books of A : <http://www.csjmuonline.com>
8000 kg oil @ ₹ 12 per kg sent on consignment. Consignor incurred ₹ 4,500 in despatch of goods. B's total sales expenses were ₹ 2,800. 800 kg of oil destroyed in transit and ₹ 9,000 collected from Insurance Company. 6000 kg oil were sold @ ₹ 16 per kg . 5% commission was paid on sales. Closing stock in B's hands was 1100 kg. Normal loss of 100 kg was estimated.
5. What is an adjusting entry ? Give four adjustment entries along with their explanations.

Section—C

(Long Answer Type Questions)

Note : Attempt any *two* questions. Each question carries 10 marks.

6. Write a detailed note on reconciliation of Bank Account. Illustrate with suitable imaginary example.
7. A company, whose accounting year is the calendar year, purchased on 1st April, 2001 a machinery costing ₹ 30,000. It purchased further machinery on 1st October, 2001 costing ₹ 20,000 and on 1st July, 2002 costing ₹ 10,000. On 1st January, 2003, one-third of the machinery installed on 1st April, 2001 became obsolete and was sold for ₹ 3,000.

Show how Machinery Account ~~would appear in the~~ books of the company, it being given that machinery was depreciated by Fixed Instalment Method at 10% per annum. What would be the balance of Machinery Account on 1st January, 2004 ?

<http://www.csjmunonline.com>

8. How would you rectify one sided and two sided errors ? Explain with suitable examples.
9. On 1st January, 2001 a Railway Company buys on Hire-Purchase System from Hire-Vendor some Thelas for ₹ 25,500, payable by three equal instalments combining principal and interest, the latter being a normal rate 5% per annum.

Calculate the amount of annual instalment and show the necessary accounts for the three years in the Railway Company's Ledger. (The present value of an Annuity of one rupee for three years at 5% is ₹ 2,72,325).