

END TERM EXAMINATION

THIRD SEMESTER [BCA] NOV.-DEC. - 2019

Paper Code: BCA207**Subject: Principles of Accounting****Time: 3 Hours****Maximum Marks: 75****Note: Attempt any 5 Questions including Q. No. 1 is compulsory. Attempt one question from each unit.**

- Q1. Attempt **any three** parts:- **(3x5=15)**
- State the persons who should be interested in accounting information.
 - What is an opening entry?
 - Explain the need and significance of charging Depreciation.
 - Explain the Imprest System of preparing Petty cash book.
 - Compare the LIFO and FIFO methods of inventory valuation.

UNIT I

- Q2. Explain the following **(3x5=15)**
- Convention of conservatism
 - Matching concept
 - Need for Accounting standards
 - Branches of Accounting
 - Inter-relationship between Accounting and Management

OR

- Q3. What are the fundamental accounting assumptions? Explain their implications. **(15)**

UNIT II

- Q4. On 1st January 2019, the following were the balance of Rajan & Co.: Cash in hand Rs.900; Cash at bank Rs.21,000, Soni (Cr.) Rs.3,000; Zahir (Dr.) Rs.2,400; Stock Rs.12,000; Prasad (Cr.) Rs.6,000; Sharma (Dr.) Rs.4,500; Lall (Cr.) Rs.2,700. **(15)**

Transactions during the month were:-

| | | (Rs.) |
|-------------|--|-------|
| Jan 2, 2019 | Bought Goods from Prasad | 2,700 |
| Jan 3 | Sold to Sharma | 3,000 |
| Jan 5 | Sold to Lall Goods for cash | 3,600 |
| Jan 7 | Took goods for personal use | 200 |
| Jan 13 | Received from Zahir in full settlement | 2,350 |
| Jan 17 | Paid to Soni in full settlement | 2,920 |
| Jan 22 | Paid cash for stationery | 50 |
| Jan 29 | Paid to Prasad by cheque | 2,650 |
| | Discount allowed | 50 |
| Jan 30 | Provide interest on capital | 100 |
| | Rent due to landlord | 200 |

Journalise the above transactions.

[P.T.O.]

[-2-]

Q5. Enter the following transactions of M. Rauli in a Double Column Cash Book and post them to concerned accounts in ledger: (15)

| 2019 | | Rs. |
|---------|--|---------|
| Jan. 1 | Cash in hand | 100,000 |
| Jan. 1 | Cash at Bank | 60,000 |
| Jan. 3 | Cash Sales | 40,000 |
| Jan. 4 | Paid Arshad by a cheque | 14,000 |
| Jan. 6 | Received a cheque from Babar | 8,000 |
| Jan. 8 | Cash deposited into bank | 19,000 |
| Jan. 8 | Babar's cheque deposited into bank | -- |
| Jan. 10 | Drew from bank for office use | 15,000 |
| Jan. 11 | Drew from bank for personal use of owner | 24,000 |
| Jan. 12 | Cash purchases | 57,000 |
| Jan. 15 | Received a cheque from S. Rashid | 10,000 |
| Jan. 16 | Rashid's cheque endorsed to Shakeel | -- |
| Jan. 17 | Paid Arshad by a cheque | 36,000 |
| Jan. 18 | Rashid's cheque returned dishonored | -- |
| Jan. 19 | Our cheque to Arshad was dishonored | -- |
| Jan. 21 | Received interest from bank | 1,400 |
| Jan. 24 | Cash sales | 3,300 |
| Jan. 27 | Incidental charges debited by bank | 700 |
| Jan. 31 | Salary paid by cheque | 14,000 |

UNIT III

Q6. From the following information prepare trading and profit and loss A/c and Balance sheet as on 31st March, 2019. (15)

| Particulars | Amount | Particulars | Amount |
|------------------------------|----------|----------------|----------|
| Bad debt | 800 | Purchases | 1,10,000 |
| Provision for doubtful debts | 500 | Rent received | 1,000 |
| Carriage inward | 1,800 | Debtors | 18,000 |
| Commission paid | 2,200 | Opening stock | 22,000 |
| Salaries | 9,000 | Premises | 20,000 |
| General expenses | 4,000 | Creditors | 13,300 |
| Taxes & insurance | 2,000 | Bank overdraft | 4,200 |
| Discount allowed | 1,600 | Furniture | 2,600 |
| Discount received | 2,000 | Capital | 30,000 |
| Sales | 1,48,000 | Drawings | 5,000 |

- Adjustments:-
1. Stock on 31st March, 2019 was value at Rs.20,000
 2. Depreciation on premises Rs.300 and furniture Rs.260
 3. Create provision on doubtful debtors @5%
 4. Interest on capital @5%
 5. Unexpired insurance Rs.700

OR

Q7. Why adjustment entries are required to be made at the time of preparing Final Accounts. Give illustrative examples of any five such adjustment entries. (15)

[P.T.O.]

[-3-]

Q8.

A limited company purchased on 1st January 1998 a second hand plant for Rs.12,000 and immediately spent Rs.8000 on its overhauling. On 1st July in the same year additional plant costing Rs.10,000 is purchased. On 1st July 2000 the plant purchased on 1st Jan. 1998 having become obsolete is sold for Rs.4000 and on the same date fresh plant is purchased at the cost of Rs.24,000.

Depreciation is provided @ 10% per annum on original cost on 31st Dec every year. In 2001 the company changes the method of depreciation and adopts the diminishing balance method @15% from retrospective affect.

Prepare machinery Account and depreciation account. (15)

OR

Q9. During the month of January following receipts and issue of material were made. Record these transaction in store ledger on FIFO and weighted average method. (15)

Receipts

Jan 1 Balance 50 units @ Rs.4 per unit
 Jan 5 Purchase Order No. 10, 40 units @ Rs.3 per unit
 Jan 8 Purchase Order No. 12, 30 units @ Rs.4 per unit
 Jan 15 Purchase Order No. 11, 20 units @ Rs.5 per unit
 Jan 26 Purchase Order No. 13, 40 units @ Rs.3 per unit

Issues

Jan 10 Material requisition no.4, 70 units
 Jan 12 Material requisition no.5, 10 units
 Jan 20 Material requisition no.6, 20 units
 Jan 24 Material requisition no.7, 10 units
 Jan 27 Material requisition no.8, 5 units

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3/3