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**RF-3953**

**B. Sc. (IT) (Sem. II) Final Examination**

**April / May - 2010**

**205 : Business System - I**

Time : 3 Hours]

[Total Marks : 70

**Instruction :**

(1)

नीचे दृष्टावेक निशानीवाणी विगतो उत्तरवडी पर अवश्य दभवी.  
Fillup strictly the details of signs on your answer book.

Name of the Examination :  
**B. Sc. (IT) (Sem. II) Final**

Name of the Subject :  
**205 : Business System - I**

Subject Code No. : **3 9 5 3** Section No. (1, 2,.....) : **1-2**

Seat No. :

Student's Signature

- (2) Write section I and section II in separate sheet.
- (3) Mention your choice clearly. Do not mix with different/odd option.
- (4) Right figure to the question indicates full marks.

**SECTION-I**

- 1 From the following Trial Balance of Mahesh as on 31.3.2009 and additional information, prepare final accounts. **13**

**Trial Balance of Mahesh as on 31.3.2009**

Name of the Account	Debit Balance Rs.	Credit Balance (Rs.)
Capital and Drawings	15,000	3,25,000
Land and Building	1,20,000	--

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**1**

**[Contd...**

Machinery	80,000	--
Purchases and Sales	1,85,000	2,60,000
Goods Return	10,000	6,000
Stock (1.4.2008)	50,000	--
Salary	30,000	--
Insurance Premium	1,500	--
Debtors and Creditors	84,000	32,000
Bank Loan	--	40,000
Freight and Octroi	3,500	--
Carriage Inward	4,000	--
Goods given as Free Samples	--	3,000
Advertisement Expenses	3,000	--
Bad Debts and Bad Debts Reserve	6,000	5,500
Interest on Loan	4,000	--
Commission	--	5,000
Bank Balance	80,500	--
<b>Total</b>	<b>676,500</b>	<b>676,500</b>

**Adjustments :**

- (i) Closing Stock is of Rs. 80,000 of which market value of 10% goods is 20% less.
- (ii) Credit Sales of Rs. 6000 is not recorded in books of accounts.
- (iii) Write off Rs. 2,000 as Bad Debts and Provide 5% Bad Debts Reserve.
- (iv) Calculate interest on capital at 10%.
- (v) Provide depreciation at 10% on Land and Building and 5% on Plant and Machinery.
- (vi) Prepaid Insurance Premium of Rs. 200 and Commission of Rs. 1500 is received in Advance.

- 2 Prepare the Journal of Mr. Vijay from the following transactions for the month of Decmeber, 2009. 12

2009

- Dec. 1 Started Business to bringing cash Rs. 25,000, goods of Rs. 10,000 and Machinery of Rs. 40,000.
- 3 Deposited Rs. 10,000 with the Bank and Opened an Account.
- 6 Borrowed a Loan of Rs. 35,000 from Dena Bank at 10% interest.
- 8 Purchased goods of Rs. 16,000 at 10% Trade Discount and 5% Cash discount from Rudra enterprise. Paid the amount by cheque.
- 12 Sold goods costing Rs. 10,000 after adding 20% Profit to Tanvi Traders.
- 15 Tanvi Traders made half of the payment by Cheque and remaining amount in cash.
- 18 Paid Octroi Exp. of Rs. 1200 by cheque.
- 21 Distributed goods of Rs. 700 as Free Samples.
- 24 Paid Insurance premium for the Shop Rs. 1600.
- 26 Withdrawn Rs. 5,000 from Bank for Office expenses.
- 28 Received goods of Rs. 1000 as Free Samples.
- 31 Paid salary Rs. 3,000 and received Brokerage Rs. 2,500.

OR

- 2 Write short notes on :
- (a) Going Concern Concept 4
- (b) Capital and drawings 4
- (c) Objectivity Concept 4

- 3 (a) From the following transactions, prepare 5  
Purchase Book, Sales Book, Purchases Return Book and  
Sales Return Book in the books of Mr. Umesh.

2009

- July 1 Purchased goods of Rs. 12000 from Rahul at 10%  
Trade Discount under Bill No.20
- 4 Sold goods of Rs. 8000 to Divyesh at 5% Trade  
Discount and 5% Cash discount under Bill No.  
35.
- 7 Purchased goods of Rs. 15000 from Krunal at  
10% cash discount on 1 months credit.
- 9 Divyesh returned goods of Rs. 2500 for which  
credit note number 5 was sent to him.
- 12 Returned goods of Rs. 2000 to Rahul along with  
debit note no. 8

- (b) Classify the following accounts into three types and 5  
give a brief explanation.

- (i) Bad Debts a/c.
- (ii) Freight and Octroi a/c
- (iii) Bank of Baroda a/c
- (iv) Investment in shares a/c
- (v) Machinery account
- (vi) Capital account
- (vii) Prepaid Insurance Premium account
- (viii) Wages account
- (ix) Copyright account
- (x) Telephone Exp. account

OR

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[Contd...

- 3 (a) What is meant by Financial Accounting? Explain difference between Financial Accounting and Management Accounting. 5
- (b) State the name of the accounting concepts which is followed in the following statements. 5
- (i) Owner is treated just as an outsider from the view point of business.
  - (ii) Transactions are recorded in books of accounts on the basis of Vouchers.
  - (iii) Any purchase of goods or asset is to be recorded in the books of accounts at its cost price.
  - (iv) Health of employees is not to be recorded in books of accounts.
  - (v) Deferred Revenue Expenditure is to be written off during certain no. of years and not in the year of expense itself.

## SECTION-II

- 4 From the following transactions, prepare three Columnar Cash Book of Mr. Dinesh. 13
- 2009
- Dec. 1 Opening Cash Balance Rs. 18,000, Opening Bank Overdraft Rs. 10,000
- 3 Deposited Rs. 6,500 in Bank
- 5 Goods of Rs. 8,000 was sold to Hetal at 10% Trade Discount and 5% Cash Discount. Hetal paid the amount immediately by cheque.
- 7 Machine of Rs. 9,500 is purchased and cheque of necessary amount is issued.
- 10 Cheque of Rs. 5,800 issued to Nilesh in full settlement of account of Rs. 6,000.

- 12 Salary of Rs. 1,500 and Brokerage of Rs. 1000 paid by cash.
- 15 Rs. 1,800 withdrawn from the bank for payment of office rent and Rs. 1,200 for payment of school fees of daughter.
- 18 Office Rent and School fees of daughter are paid.
- 21 Mukesh issued a cheque of Rs. 4,000 towards payment of an old debt, which we deposited in the bank.
- 23 Cheque issued by Mukesh is dishonoured.
- 27 Commission of Rs. 3,000 received in cash.
- 31 After keeping cash on hand of Rs. 5,000, remaining amount is deposited in the Bank.

**OR**

**4** Explain following Accounting terms :

- |                         |   |
|-------------------------|---|
| (i) Contra Transactions | 3 |
| (ii) Voucher            | 2 |
| (iii) Journal           | 2 |
| (iv) Demurrage          | 2 |
| (v) Trial Balance       | 2 |
| (vi) Stock              | 2 |

**5** Explain following techniques of Inventory Control in detail.

- |                        |   |
|------------------------|---|
| (a) ABC Analysis       | 4 |
| (b) VED Classification | 4 |
| (c) SOS Classification | 4 |

**OR**

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**6**

**[Contd...**

- 5** (a) State with reasons, whether the following statements are true or false. **6**
- (i) Capital is a liability for business
  - (ii) Copyright a/c is a Real type of account
  - (iii) Total of both the sides of balance sheet is always equal.
  - (iv) According to Business Entity Concept, Owner and Business both are different.
  - (v) Cost of Fixed Assets is to be taken as an expense in Profit and Loss account in the year of expense itself.
  - (vi) Goods distributed as free samples are to be recorded in books of accounts.
- (b) Explain following terms :
- (i) Reorder Point **3**
  - (ii) Buffer Stock **3**
- 6** Write short notes on : (any two) **10**
- (a) Debit Credit rules with illustrations
  - (b) Revenue Recognition Concept
  - (c) Money Measurement Concept
  - (d) Factors affecting inventory in business organization
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