



SB-1367

B. B. A. (Sem. II) Examination
March / April – 2011
Financial Accounting
(Old Course)

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fillup strictly the details of signs on your answer book.

Seat No. :

Name of the Examination :

Name of the Subject :

Subject Code No. : Section No. (1, 2,.....):

Student's Signature

- (2) Use of simple calculator is permitted.
- (3) Figures to the **right** indicate marks of the question.

1 The following is the Trial Balance of Shri Ronak Patel 15
as on 31.3.10. You are requested to prepare the Trading
Account, Profit and Loss Account for the year ended 31.3.10
and Balance Sheet as on that date after making the necessary
adjustment :

Trial Balance

<i>Debit Balance</i>	<i>Rs.</i>	<i>Credit Balance</i>	<i>Rs.</i>
Debtors	5,00,000	Creditors	2,00,000
Wages	1,00,000	Capital Account	13,88,000
Carriage outwards	1,10,000	Sales	19,87,500
Carriage inwards	50,000		
General expenses	70,000		
Cash discount	20,000		
Bad Debts	10,000		
Motor Car	2,40,000		
Printing-Stationary	15,000		

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Furnitures	1,10,000		
Advertisement	85,000		
Insurance	45,000		
Salesmen's Commission	87,500		
Postages-Telephone	57,500		
Salaries	1,60,000		
Rates and Taxes	25,000		
Drawings	20,000		
Purchases	15,50,000		
Stock on 01.04.09	2,50,000		
Cash at Bank	60,000		
Cash in hand	10,500		
	35,75,500		35,75,500

Adjustments :

- (i) Stock on 31.3.10 was valued at Rs. 7,25,000
- (ii) A provision for Bad and Doubtful debts is to be created to the extent of 5% on debtors.
- (iii) Depreciate : Furnitures by 10% and motor car by 20%.
- (iv) Shri Ronak had withdrawn goods worth Rs. 25,000 during the year.
- (v) Sales include goods worth Rs. 75,000 sent out to Taral on approval and remaining unsold on 31.3.10. The cost of the goods was Rs. 50,000.
- (vi) The salesmen are entitled to get 5% commission on total sales.
- (vii) Debtors include 25,000 bad debts
- (viii) Purchase include purchase of furniture worth Rs. 50,000.

2 From the following particulars, prepare a bank reconciliation statement showing the balance as per cash book as on 31.12.2010. **10**

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- (i) Out of cheques of Rs. 9,000 paid on 29th December, Rs. 4000 appear to have been credited in the pass book on 02.01.2011.
- (ii) I had issued cheques in December, 2010 amounting in all to Rs. 16,000. Out of which I find that cheques for Rs. 7,000 have been cashed in the same month; a cheque at Rs. 5,000 cashed on January 3, 2011 and the rest have not been presented at all.
- (iii) My bankers given me a wrong credit in my joint account with my wife, in respect of a cheque of Rs. 2,000 paid in to my personal account.
- (iv) Rs. 1,000 for interest on overdraft charged in the pass book on 31st December has been entered in my cash book on 4th January 2011.
- (v) My passbook shows a credit of Rs. 1,200 to my account being interest on my securities collected by my bankers.
- (vi) The bank balance as per my passbook showed an overdraft of Rs. 19,000.

OR

- 2** Give the vertical form of balance sheet as per schedule **10**
VI of the company Act with imaginary figures.
- 3** From the following transaction of Mukti Patel prepare her **10**
three consumer cash book for the month of December 2010 :
2010
- Dec. 1 Cash on hand Rs. 10,000 and bank overdraft
Rs. 15,000
- Dec. 1 Additional capital brought in the business by
selling her personal laptop for Rs. 20,000 and the
amount deposited in the bank.
- Dec. 5 Cash sale of Rs. 20,000 at 10% trade discount and
2% cash discount.
- Dec. 8 Sold goods to Tanvi Rs. 10,000 at 10% trade
discount and she gave crossed cheque for half the
amount.

- Dec.10 Withdrew from the bank Rs. 5,000 for personal expenses.
- Dec.15 Cheque of Tanvi was dishonoured and she gave cash against the cheque.
- Dec.20 Received 3% commission on total sale of Rs. 3,00,000.
- Dec.22 Cash deposited in the bank Rs. 10,000
- Dec.25 Received a crossed cheque for Rs. 9,700 from Jayna in full settlement of her account of Rs. 10,000
- Dec.28 Issued a cheque to Shital for Rs. 7,840 after deducting 2% cash discount.
- Dec.29 Salary paid to Krishna Rs. 5000 by cash and rent to landlord by cheque Rs. 8000
- Dec.31 Keeping Rs. 1,000 cash on hand, the balance deposited in the bank.

OR

- 3 Enter the following transaction in proper subsidiary books of Kalpesh Kansara : 10

2010

- Dec.1 Sold goods to Ramesh Rs. 1,050
- Dec.1 Bought from Hariram Rs. 1,560
- Dec.2 Ramesh returns goods Rs. 150
- Dec.2 Sold to Dinanath Rs. 1,100
- Dec.2 Purchased goods from Mangal Rs. 1,400
- Dec.4 Return goods to Mangal Rs. 200
- Dec.4 Bought from Devilal Rs. 650
- Dec.4 Sold to Zakir Rs. 700
- Dec.5 Zakir returned goods Rs. 90
- Dec.6 Sold to Ramsaran Rs. 1,000
- Dec.6 Sold to Ghanshyam Rs. 600
- Dec.7 Ramsaran returned goods Rs. 100
- Dec.7 Bought from Devilal Rs. 1,400

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- Dec.8 Returned goods to Devial Rs. 150
- Dec.9 Purchased goods from Raghunath subject to a trade discount of 10% Rs. 2,000
- Dec.10 Sold to Rajaram subject to trade discount of 5% Rs. 1,000

- 4 A second hand machine was purchased on 1.1.06 for Rs. 16,00,000 overhauling and installation expenses for the same machine amounted to Rs. 4,00,000. Another machine was purchased for Rs. 8,00,000 on 1.7.06. 10

On 1-7-08 the machine instaled on 1-1-06 was sold for Rs. 10,00,000 Dismantling charges for the machine sold on 1.7.08 were Rs. 40,000. On the same date, another machine was purchased for Rs. 32,00,000 and was commissioned on 30.9.08 the company has adopted the calender year as its financial year. Under the existing practice, the company provides depreciation at 10% p.a. on the original cost. In 2009, it has been decided that depreciation will be charged on the diminishing balance method at 15% p.a. The change is not be made with retrospective effect.

Show machine account from 2006 to 2010. Also show machine disposal account.

OR

- 4 Prantik Boy's Club prepared the following receipts and payment account for the year ended 31.12.10 : 10

<i>Receipts</i>	<i>Rs.</i>	<i>Payments</i>	<i>Rs.</i>
To Bank b/d	7,600	By sports equipment (purchased on 01.10.10)	30,000
To subscription :		By postage stationary	700
2009	2,000	By salaries - wages	5,000
2010	37,000	By upkeep of ground	1,000
2011	3,000	By electric charges	2,300
To Admission fees	4,000	By tournament expenses	8,000
To Locker rent	1,000	By Balance c/d	8,800
To Interest on Govt Securities	1,200		
	55,800		55,800

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The fixed assets of the club on 1.1.10 include the following - sports equipment Rs. 40,000; furniture Rs. 6,000 10% Govt. securities Rs. 16,000 and club ground Rs. 25,000.

Prepare income and expenditure account of Prantik Boy's club for the year ended 31st December 2010, and a balance sheet on that date after taking into account the following information.

- (a) Subscriptions for 2010 collected in 2009 for Rs. 1,500
- (b) Subscription for 2010 are outstanding for Rs. 1000
- (c) Depreciation to be provided at 15% p.a. on sports equipment and at 7.5% p.a. on furniture.

5 Answer the following :

- (i) What is contra entry ? How will you do ledger posting of it ? **2**
- (ii) Sun Ltd. purchased a machine for Rs. 10,000 on 1.4.09. Depreciation is provided at 10% on WDV method. The depreciation provided on the machine in 2009-10 year is Rs.____ **2**
- (iii) Ascertain purchase from the following figures : **2**
 - Cost of goods sold Rs. 80,700
 - Opening stock Rs. 5,800
 - Closing stock Rs. 6,000
- (iv) Petty expenses of business are grouped under the heading sundry expenses because of : **2**
 - (i) Convention of conservatism
 - (ii) Convention of materiality
 - (iii) Convention of consistency
- (v) Generally income is said to be realized when **2**
 - (i) Goods are sold
 - (ii) Cash is received
 - (iii) Production is completed.

6 Write short notes : (any **three**)

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- (i) Reasons of preparing BRS
 - (ii) Functions of Accounting
 - (iii) Dual aspect concept
 - (iv) Subsidiary books system
 - (v) Sinking fund method.
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