

MODEL QUESTION PAPER AS PER THE UNIVERSITY PATTERN
DATE OF SUBMISSION: 22nd February, 2018

It is a model paper but you have to attempt all the seven questions. The answers should be written in the standard exam pattern without compromising the quality and quantity.

Renaissance college of commerce and management

BBA Examination

BASIC OF ACCOUNTING

Note: Attempt any two questions from section A and Any three from Section B.

SECTION A

1. Define and discuss the role of financial Accounting and its managerial implications.
2. Write short notes on:
 - A. Capital Expenditure and Revenue Expenditure
 - B. Preparation of Bank Reconciliation Statement.
 - C. Accounting Standards.
 - D. Adjustment Entry.
3. Explain the meaning and significance of the following;
 - A. Dual aspect
 - B. Going Concern
 - C. Prudence
 - D. Consistency.

SECTION B

4. Give journal entries for the following transitions:
 - a. Purchased machinery and debited purchase account by Rs. 5 lakh
 - b. Wages paid for erection of machinery debited to wages account Rs. 9000
 - c. Received Rs. 42,000 from Mr. Super and debited to his personal account.
 - d. Check received from X given to Y now dishonored amount Rs. 10,000.
 - e. A new machinery purchased in exchange of old machinery book value Rs. 20,000 exchange for Rs. 15,000 and Rs. 1 lakh 40,000 paid by cheque.
 - f. Honored our own acceptance by cheque Rs. 7000.
 - g. Sold goods costing Rs. 20,000 at markup value 50% above cost allowing 10% rate discount and 5% cash discount the buyer paid a 60% amount in cash.
 - h. Remuneration paid to the consultant Rs. 20,000 after deducting 10% TDS.
5. Prepare bank reconciliation statement from the following information on 31 March 2012 -

1. Balance as per passbook Dr Rs. 40,000
2. Cheque sent for collection and collected but not interred in the cash book Rs. 5800
3. Payment made by bank for LIC premium Rs. 2000
4. Interest on investment credited in the past book only Rs. 500
5. Three cheques issued for Rs. 5000 7000 and 9000 respectively but one cheque was presented on fifth of April 2012 worth Rs. 5000
6. The payment side of cashbook bank column was overcast by Rs. 300
7. Direct deposit made by customer in our bank account Rs. 9500.

6. Sunny Ltd purchased a machinery on 1 January 2012 Rs. 1 lakh 80,000 the installation charges paid over Rs. 20,000 in the same year another machine was purchased on first July for Rs. 60,000. On first April 2014 **1/2** of the first machine is sold at 25% loss on book value and another machine was purchased by using the sales proceeds on the same day. The company charged depreciation on straight-line basis at the rate of 10% per annum for first two years but in the beginning of the third year, the company changed its method of depreciation to diminishing balance method. Prepare machinery account for four years. Year ending is 31st December

7. From the following information, prepare final accounts for the year ending 31 December 2016

Wages	3000	Debtors	48,000
Capital	44,000	Stock	15,000
Bank loan	2400	Furniture	14,000
Creditors	4000	Investments	5000
Cash	400	Goodwill	22,000
Bank	6000	Purchases	60,000
Sales	1, 20,000		

Following adjustments to be taken in account:

- a. Closing stock valued at Rs. 35,000.
- b. Goodwill to be amortized by 10% and investments market value is Rs. 4800.
- c. Accrued interest on investment Rs. 450. Outstanding wages Rs. 1000.
- d. Goods costing 5000 lost during the year and 60% claim was admitted by insurance company.
- e. One of the data become insolvent from home Rs. 10,000 was due on May 70% amount received
- f. Create provision for doubtful debts equal to 5%.
- g. Commission received Rs. 12,000 was omitted to be recorded out of this commission who Rs. 4000 is received for the next financial year.
- h. General Manager is entitled for 10% commission on net profit.

8. Prepare format of position statement on income statement as per companies act 2013 using imaginary figures.