

Roll No.

Total No. of Pages : 03

Total No. of Questions : 07

BCA (Sem.-3<sup>rd</sup>)

**BASIC ACCOUNTING**

Subject Code : BSBC-305 (2011 Batch)

Paper ID : [B0232]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and students has to attempt any FOUR questions.

**SECTION-A**

1. Write briefly :

- a) Capital
- b) Nominal accounts
- c) Concept of Materiality
- d) Narration
- e) Errors of Commission
- f) Contra Entries
- g) Posting
- h) Fictitious Assets
- i) Debentures
- j) Working Capital

**SECTION-B**

2. *“Accounting serves as an information system and meets the need of a wide variety of stakeholders”*. In the light of this statement discuss the meaning and importance of accounting.
3. Pass the journal entries from the following transactions:
  - a) Deposited cash Rs.1,30,000 into saving account with the bank.
  - b) Paid electricity bill Rs. 25,000 through cheque.
  - c) Rs. 15,000 spent on training and development of employees.
  - d) Paid salary Rs. 1,500, entertainment expenses Rs. 2,100.
  - e) Sold furniture worth Rs. 20,000 for Rs. 22,000.
  - f) Received a Capital of Rs. 2,30,000 from the Owner of the Business Mr. Rizvan.
  - g) Lost furniture worth Rs. 30,000 due to fire, received claim of Rs. 25,000 from the insurance company.
  - h) Purchased stock worth Rs.4,000 from M/s Juliet Sons, out of this stock worth Rs. 3,500 is purchased on credit basis.
  - i) Charge Depreciation on Furniture Rs.4,000.
  - j) Purchased Machinery worth Rs. 10,00,000 from M/s Teakwood Furniture’s Payment of Rs. 8 lacs has been given through cash, and balance will be paid after one month.
4. What is the purpose of preparation of Trial Balance? Also write a note on different types of errors made by the accountants in writing the books of accounts.
5. From the following balances, prepare the Trading and Profit and Loss Account and Balance Sheet of XYZ traders as on March 31, 2012.

| <b>Debit Balances</b> | <b>Amount Rs.</b> | <b>Credit Balances</b> | <b>Amount Rs.</b> |
|-----------------------|-------------------|------------------------|-------------------|
| Drawings              | 8,300             | Capital                | 1,65,000          |
| Cash at bank          | 24,000            | Discount received      | 1,150             |
| Bills receivable      | 1,000             | Loans                  | 12,000            |
| Land and Building     | 41,700            | Purchases return       | 4,500             |
| Furniture             | 5,100             | Sales                  | 3,00,000          |
| Discount allowed      | 4,000             |                        |                   |
| Bank charges          | 240               | Creditors              | 23,670            |
| Salaries              | 6,520             |                        |                   |
| Purchases             | 2,15,000          |                        |                   |
| Stock (opening)       | 65,000            |                        |                   |
| Sales return          | 2,210             |                        |                   |
| Carriage              | 5,460             |                        |                   |
| Rent and Taxes        | 7,250             |                        |                   |
| General expenses      | 3,610             |                        |                   |
| Plant and Machinery   | 32,400            |                        |                   |
| Book debts            | 80,340            |                        |                   |
| Bad debts             | 1,190             |                        |                   |
| Insurance             | 3,000             |                        |                   |
|                       | <b>5,06,320</b>   |                        | <b>5,06,320</b>   |

#### Additional Information

1. Closing stock Rs. 60,000
6. What is a Bank Reconciliation Statement? Also explain the process of preparation of Bank Reconciliation statement with the help of a hypothetical example.
7. Explain in detail sources of working capital finance.