

BBA-02
December - Examination 2019
BBA Pt. I Examination
Fundamentals of Accounting
Paper - BBA-02

Time : 3 Hours]

[Max. Marks :- 70

Note: The question paper is divided into three sections A, B and C. Write answers as per given instructions.

Section - A

7 × 2 = 14

(Very Short Answer Questions)

Note: Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum upto 30 words. Each question carries 2 marks.

- 1) i. What is Separate Entity Concept?
- ii. What is meant by convention of consistency?
- iii. What do you mean by Errors of principle?
- iv. What do you mean by bank reconciliation statement?
- v. What is Receipt and Payment account?
- vi. Differentiate between the consignment and sales.
- vii. What is "Share capital"?

Section - B**4 × 7 = 28****(Short Answer Questions)**

Note: Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 7 marks.

2. What is meant by Subsidiary books? Describe the advantages of keeping subsidiary books.
3. Prepare the purchases book of M/s Tinku Furnitures from the following transactions.

2010

Feb 1 Purchased from M/s Ravindra Furnitures on credit

20 Tables @ Rs. 300 each

10 Chairs @Rs. 500 each

Trade discount @ 5% Invoice No. 22

Feb 14 Purchased from Shekhar Bros. on credit

30 Table @ Rs. 250 each

20 Chairs @ Rs. 400 each

Invoice No. 76

Feb 26 Sold to Vijay & Co. on credit

15 Tables @Rs. 400 each

25 Chairs @ Rs. 600 each

4. Mention names of different methods of charging depreciation.
5. "Practically, vertical form of Final Accounts is more popular than horizontal form". Critically examine the statement.
6. What do you mean by unearned income? Briefly explain.
7. Give journal entries for the following adjustment at the time of closing the books on 31st March, 2010.
 - (a) In the year 2009-2010 wages for 11 months paid Rs. 2,20,000.

- (b) On 1st January, 2010 advance rent Rs. 1,20,000 for one year received and accounted for.
 - (c) Vehicle expenses Rs. 80,000 shown in the trial balance. The vehicle is used 50% by the son of the owner of business for going to college.
 - (d) Fixed deposit made with Dena Bank @ 10% Rs. 12,00,000 on 1st November, 2009. Interest is credited on annual basis.
8. Discuss the method of rectification of errors under self balancing system?
9. Why departmental accounting is necessary? What purposes it serves?

Section - C

2 × 14 = 28

(Long Answer Questions)

Note: Answer **any two** questions. You have to delimit your each answer maximum upto 500 words. Each question carries 14 marks.

10. The following errors, affecting the account for the year 2009 were detected in the books of Jain Brothers, Delhi:
- (i) Sale of old Furniture Rs. 150 treated as sale of goods.
 - (ii) Receipt of Rs. 500 from Ram Mohan credited to Shyam Sunder.
 - (iii) Goods worth Rs. 100 brought from Mohan Narain have remained unrecorded so far.
 - (iv) A return of Rs. 120 from Mukesh posted to his debit.
 - (v) A return of Rs. 90 to Shyam Sunder posted as Rs. 9 in his account.

- (vi) Rent of proprietor's residence, Rs. 600 debited to rent A/c.
- (vii) A payment of Rs. 215 to Mohammad Sadiq posted to his credit as Rs. 125.
- (viii) Sales Book added Rs. 900 short.
- (ix) The total of Bills Receivable Book Rs. 1,500 left un posted.

You are required to pass the necessary rectifying entries and show how the trial balance would be affected by the errors.

11. "Bank reconciliation statement plays an important role to removing the errors between cash book and pass book." Explain this statement.
12. Explain in brief, the subject matter of Profit & Loss Account and Balance Sheet.
13. Distinguish between:
 - i. Calls-in-Arrears and Calls-in-Advance
 - ii. Equity share and Preference share
