

BBA-02
June - 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 the 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 up to 30 words. Each question carries 2 marks.

- 1) (i) Define Accounting, as per Accounting Principles Board (APB) or AICPA.
- (ii) What is Separate Entity Concept?
- (iii) What do you mean by Debit and Credit?
- (iv) Explain the meaning of Journal.
- (v) What is Errors of Omission?
- (vi) Define Depreciation.
- (vii) What do you mean by Commission?

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) Explain the main objectives of accounting.
- 3) Explain the rules for recording the transactions in the books of accounts.
- 4) Explain the advantages of Cash Book and also explain various types of Cash book.
- 5) Explain the causes of Depreciation.
- 6) Explain the Adjustment of Outstanding Expenses in Books of Accounts and Presentation in Final Accounts. (Take dummy figures)
- 7) Explain the entries for Manager's Commission on Profits with dummy figures.
- 8) What is Wholesale Price Method? Explain its accounting aspects.
- 9) Distinction between Preference shares and Equity Shares.

Section - C**2 × 14 = 28**

(Long Answer Questions)

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

- 10) Explain account process in detail.
- 11) Explain the classification of Accounts as per the categories of business transactions.
- 12) How would you rectify the following errors in the books of Rama & Co.?
 1. The total to the Purchases Book has been undercost by Rs. 100.
 2. The Returns Inward Book has been undercast by Rs. 50.
 3. A sum of Rs. 250 written off as depreciation on Machinery has not been debited to Depreciation Account.
 4. A payment of Rs. 75 for salaries (to Mohan) has been posted twice to Salaries Account.
 5. The total of Bills Receivable Book Rs. 1,500 has been posted to the credit of Bills Receivable Account.
 6. An amount of Rs. 151 for a credit sale to Hari, although correctly entered in the Sales Book, has been posted as Rs. 115.
 7. Discount allowed to Satish Rs. 25 has not been entered in the Discount Column of the Cash Book. It has been posted to his personal account.

- 13) The Trading and Profit and Loss Ac for the six months ended 31st March 2010 of a Radio and Gramophone Equipment Company is given as under.

Trading and Profit and Loss A/C for aided 31st March 2010

		Rs.			Rs.
To Purchase:			By Sales:		
Radio (A)	1,40,700		Radio (A)	1,50,000	
Gramophone (B)	90,600		Gramophone (B)	1,00,000	
Spares and Service			Spares and Service		
Deptt. (C)	64,400	2,95,700	Deptt. (C)	25,000	2,75,000
To Salaries and Wages		48,000	By Closing Stock:		
To Rent		10,800	Radio (A)	60,100	
To Sundry Expenses		11,000	Gramophone (B)	20,300	
To Nil Profit		34,500	Spares and Service		
			Deptt. (C)	44,600	1,25,000
		4,00,000			4,00,000

Prepare Departmental Trading and P & L A/c for each Deptt. A, B, and C taking into consideration the following further information:

- (i) Radios and Gramophones are sold in show-room while service and repair is made in workshop.
- (ii) Distribution of Salaries and wages were as under:
Show Room 3 : 4 workshop 1 : 4 it was decided to allocate the salary and wages of Show Room among the Deptt. A and B in the ratio of 1 : 2.
- (iii) Rs. 500 per month is paid for Workshop rent and rent of Show Room is distributed equally among the deptt. A and B.
- (iv) Sundry expenses are to be apportion in the ratio of departmental sales.