

**B.C.A. (PART II) EXAMINATION - 2018**  
**(Faculty of Science)**  
**(Three-year Scheme of 10 + 2 + 3 Pattern)**  
**Paper - 231**  
**BUSINESS ACCOUNTING**

**Time allowed : Three Hours**  
**Maximum Marks : 100**

Question paper consists of three Sections. All three section are compulsory.

**PART - I:** (Very Short Answer) consists of 10 questions of 2 marks each. Maximum limit for each question is up to 40 words.

**PART - II:** (Short answer) consists of 5 questions of 4 marks each. Maximum limit for each question is up to 80 words.

**PART - III:** (Long answer) consists of 5 questions of 12 marks each with internal choice.

**PART - I**

1. (a) What is Accounting?  
(b) State any two objectives of financial accounting.  
(c) What are different types of Cash Book?  
(d) What is Cash Discount?  
(e) What is meant by Bank Overdraft?  
(f) State any two characteristics of Trial Balance.  
(g) Give two examples of Fictitious Assets.  
(h) What do you mean by Intangible Assets?  
(i) What is Contingent Liability?  
(j) Give adjustment entry of outstanding expenses. [10 x 2 = 20]

**PART - II**

2. (a) State the names of users of Accounting Information.  
(b) What is meant by double entry system of accounting?  
(c) What is meant by errors of commission? Give two examples of such error.  
(d) State any four objectives of preparing balance sheet.  
(e) Goods worth ₹ 5,000 was used by the Proprietor for domestic use, worth ₹ 4,000 distributed as free samples and worth ₹ 1,000 given as charity. Where and how will these items appear in final accounts? [5 x 4 = 20]

**PART - III**

3. What do you mean by accounting concepts? Explain any eight important accounting concepts. [4+8=12]

**OR**

- (a) Explain any four important accounting conventions.  
(b) Explain the limitations of Financial Accounting. [6+6 = 12]

4. Give Journal entries in the books of Ramit for the following transactions:  
2017

	₹
May 1 Goods purchased from Sumit	40,000
May 4 Goods sold to Kumbhat	20,000
May 7 Loan received from Bank	2,22,000
May 8 Rent paid to Suresh	7,500
May 10 Goods returned to Sumit	5,000
May 14 Goods returned by Kumbhat	3,000
May 17 Goods given in charity ₹ 400 and cash in charity ₹ 600	1,000
May 25 Paid to Sumit in full settlement	34,500
May 29 Received from Kumbhat in full Settlement	16,000
May 30 Paid for Stationery	5,000
May 31 Paid for Salary	15,000
	[12]

OR

Write short notes on the followings:-

- (a) Subsidiary Books
  - (b) Three Column Cash Book
  - (c) Trade Discount and cash Discount [4+4+4 = 12]
5. (a) What do you mean by Bank Reconciliation Statement? Why is it prepared?  
(b) Define depreciation and state any four needs of accounting for depreciation. [6+6 = 12]

OR

Prepare a trial balance from the following balances extracted from the books of Ram Brothers:

	₹
Opening Stock	10,000
Purchases	2,00,000
Debtors	60,000
Cash in Hand	1,000
Cash at Bank	3,000
Creditors	50,000
Sales	2,40,000
Salaries	14,000
Rent	3,000
Wages	1,500
Insurance & Taxes	500
Buildings	40,000
Capital Account	44,000
Purchase Returns	12,000
Sales Returns	13,000

6. Define balance sheet and give its characteristics. Differentiate between Trial Balance and Balance Sheet. [12]

OR

[4+4+4 = 12]

From the following balances, Prepare Trading Account, Profit & Loss Account and Balance Sheet as on 31st March, 2017

Particulars	Amount (₹)	
	Dr. (₹)	Cr. (₹)
Stock	8,00,000	-
Cash	1,60,000	-
Furniture	3,00,000	-
Capital	-	12,45,000
Debtors	2,40,000	-
Purchases	16,00,000	-
Sales Return	40,000	-
Commission Received	-	1,30,000
Octroi	76,000	-
Creditors	-	7,00,000
Rent	44,000	-
Discount Received	-	11,000
General Expenses	41,000	-
Wages & Salaries	17,000	-
Carriage	3,000	-
Productive wages	20,000	-
Machinery	2,00,000	-
Bank	4,00,000	-
Salaries	1,40,000	-
Stationery	14,000	-
Drawings	80,000	-
Loss by Fire	30,000	-
Investment	3,60,000	-
Interest on Investment	-	9,000
Sales	-	24,00,000
Purchases Return	-	70,000
	45,65,000	45,65,000

Closing Stock on 31-03-2017 is ₹ 10,00,000.

[12]

7. The following trial balance was extracted from the books of Raj Kumar & Sons on 31st March, 2017:

	Dr. (₹)	Cr. (₹)
Drawings and Capital	5,000	1,00,000
Purchases and Sales	68,000	1,20,000
Debtors and Creditors	40,000	30,000
Opening stock	30,000	-
Returns Inward	3,000	-
Bank Overdraft	-	12,000
Salaries	17,000	-
Heating & Lighting-office	2,000	-
Leasehold Property	80,000	-
Commission Received	-	2,000
Travelling Expenses	10,000	-
Printing & Stationery Expenses	1,000	-
Furniture	9,000	-
Provision for Doubtful debts	-	4,000
Wages & Freight	10,000	-
Apprentice Premium	-	12,000
Cash in Hand	5,000	-
	2,80,000	2,80,000

Prepare Trading Account and Profit & Loss Account for the year ending 31st March, 2017 and a Balance Sheet as on that date, from the above trial balance and the following adjustments:

- (i) Closing Stock ₹ 15,000.
- (ii) ₹ 1,000 for wages is still Payable.
- (iii) 75% of work for commission received has been completed.
- (iv) Charge depreciation at 5% on leasehold property and at 10% on furniture.
- (v) The provision for doubtful debts is to be maintained at 6% on debtors.
- (vi) A new machine was purchased for ₹ 10,000 and the payment was made by cheque, the entry for this purchase has not been made in the books.
- (vii) ₹ 2,000 for Salaries relates to next year.

[12]

OR

How will you deal with the following items in final accounts:

- (a) Provision for bad and doubtful debts.
- (b) Accrued Income or Income Receivable.
- (c) Accidental losses of goods.
- (d) Commission payable to manager on profit.

[3+3+3+3 = 12]

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