END TERM EXAMINATION

THIRD SEMESTER [BCA] DEC.2014-JAN.2015

Paper Code: BCA207 Subject: Principles of Accounting
(Batch: 2011 onwards)

Time: 3 Hours

Q5

Maximum Marks:75

Note: Attempt any five questions including Q.no. 1 which is compulsory.

Select one question from each unit.

Q1 State true or false with reason in support:-

(1.5x10=15)

- T (a) The basic function of financial accounting is to assist the management in performing functions effectively.
- F (b) The convention of conservatism takes into account all prospective profits but leaves all prospective losses.
- T (c) Credit note is sent to a customer when goods sold on returned by him.
- J (d) Inventory should be valued at the lower of historical cost and current replacement cost.
- 7 (e) The convention of disclosure implies that all material information should be disclosed in the accounts.
- 7 (f) A ledger is a principle book of accounts.
- T (g) LIFO method is suitable for items which are of non perishable and bulky items.
- F (h) Accounting as a discipline is not related with other discipline like 'Law' etc.
- F(i) Diminishing method of depreciation is same as sum of digit method of depreciation.
- T (j) Prepaid rent appearing in the Trial Balance is taken only to the profit and Loss Account.

UNIT-I

- Q2 What are the Accounting Standards? Explain the meaning, nature and utility of Accounting Standards. (15)
- Q3 What are the qualitative characteristics of Accounting Information? Explain in detail. (15)

UNIT-II

Q4 Enter the following transactions in the triple column cash book with cash, bank and discount columns. (15)

CISCOCIAL	counting.	1201
2013	Particulars	Rs
Jan.1	Chandrika commences business with cash.	20,000
Jan.3	He paid into bank a/c	19,000
Jan.4	He receives cheque from Kirti & Co. on account	600
Jan.7	He pays into bank Kirti & Co's cheque	600
Jan.10	He pays Ratan & Co by cheque and is allowed discount Rs.20	330
Jan.12	Tripathis & Co pays into his bank a/c	475
Jan.15	He receives cheque from Warsi and allws him discount Rs.35	450
Jan.20	He receives cash rs.75 and cheque rs.100 for cash sales	
Jan.25	He pays into bank, including cheques received on 15th and 20th January	1,000
Jan.27	He pays by cheque for cahs purchases	275
Jan.30	He pays John & Co, in cash and is allowed discount rs.35	375
Jan.31	He draws a cheque for personal úse	250
Jan.31	He draws cheque for office use	400
Jan.31	He receives cheque for commission from Raghubir & Co	500
Jan.31	He receives cheque (dated 15th March, 213) from Kesri & Co	450

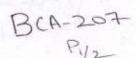
(a) Differentiate between Sales Book and Sales Account.

From the following transportion

(7.5)

	From the following transaction prepare Sales Book:-			
	March 1	Sold to 'X' 3 chests of tea for Rs.1,800 less trade discount @ 10% and VAT is charges @ 10%.		
	March 4	Sold to Mohan & Sons on cash 20kg butter @ 150/kg, less trade discount @ 5% and VAT is charged @ 10%.		
	March 5	Sold to Y' 20kg Assam Tea @ Rs.60/kg less trade discount @ 5% charged VAT @ 10%. Frieght and packing charges were separately charged at Rs.160.		
	March 6	Sold to 'Z' 20 packs (1kg) of Darjeeling Tea @ Rs.75/kg less trade		

P.T.O.



UNIT-III

Q6 The following is the Trial Balance of Ram on 31st March, 2007.

Debit Balance	Rs.	Credit Balance	Rs.
Office expenses	12,000	Provision for depreciation	2,000
Furniture and fittings	20,000	Provision for doubtful debts	6,000
Printing and stationary	8,000	Creditors	1,20,000
Insurance	12,000	Capital	1,00,000
Opening stock	50,000	Sales	3,21,000
Drawings	24,000	Purchase return	5,000
Wages	20,000	Interest earned	4,000
Rent	15,000	Samuel Street Street Street Street	NO.
Sales return	10,000		
Bad debts written off	7,000		
Purchase	1,50,000		77 TIB
Debtors	2,00,000		
Salaries	30,000		
Total	5,58,000	Total	5,58,000

Prepare the Trading and Profit & Loss Account for the year ending March, 31, 2013 and also the Balance Sheet as on that date for making the following adjustments:- (15)

(a) Depreciate furniture and fittings by 10% on original cost.

(b) Make a provision for doubtful debts equal to 5% of debtors.

- (c) Salaries for the month of March amounting to rs. 3,000 were unpaid which must be provided for. The balance in the account includes Rs.2,000 paid in advance.
- (d) Insurance is prepaid to the extent of Rs.2,000.

Je Provide Rs. 8,000 for office expenses.

- Stock valued at rs.6,000 was put up by Ram for his personal use, the cost of which has not been adjusted in the books of account.
- (g) Glosing stock valued at rs.68,000 (net realizable value rs.60,000).
- Q7 State the usual adjustments that have to be made while preparing the final Accounts. (15)

UNIT-IV

- Q8 A firm whose books are closed on 31st March, purchased machinery for Rs.50,000 on April 2002, Additional machinery was acquired for Rs. 20,000 on October 1, 2003 and for Rs.28,100 on 30th September 2006. On April 1, 2005 a part of the machinery purchased for rs.20,000 on April 1, 2002 was sold for Rs.8,000. You are required to write up the Machinery Account for 5 years. Depreciation is written off at 10% on the written down value.

 (15)
- Q9 Define "Inventory". Why proper valuation of inventory is important? (15)

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