

29802

**BBA 4 Year 1st Semester w.e.f. 2024-25
(NEP-2020)**

Examination – December, 2024

BASICS OF ACCOUNTING

Paper : 24IMSI401DS02

Time : Three Hours]

[Maximum Marks : 70

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt *five* questions in all. Question No. 1 is *compulsory* from Section-A. Attempt remaining *four* questions from Section-B by selecting *one* question from each Unit. All questions carry **14** marks each.

SECTION – A

1. Explain the following briefly :

- (i) Trial balance
- (ii) Ledger

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- (iii) Depreciation
- (iv) Bank reconciliation statement
- (v) Forfeiture of share
- (vi) Methods of redemption of debentures
- (vii) Profit and loss account

SECTION – B

UNIT – I

2. What are the various branches of accounting ? Explain the roles and uses of each branch in a business context.
3. The following Trial Balance has been extracted from the books of Mr. S.K. as at 31st March, 2024 :

Particulars	Dr. (₹)	Cr. (₹)
Plant and Machinery	1,00,000	
Furniture	12,000	
Capital Account		1,91,000

Household Expenses	16,000	
Sales		4,68,000
Loose Tools	20,000	
Goodwill	10,000	
Opening Stock (1-4-2023)	20,000	
Returns Outward		4,000
Discount		6,000
Purchases	2,12,000	
Returns Inwards	8,000	
Wages	1,00,000	
Salaries	60,000	
Outstanding Salaries		5,000
Investments at 10% p.a.	6,000	

- (ii) Depreciation is to be charged on Plant and Machinery at 5% and Furniture at 6%. Loose Tools are revalued at ₹ 16,000.
- (iii) Create a provision of 2% for Discount on Debtors.
- (iv) Salary of ₹ 2,000 paid to Shri B. Barua, a temporary employee, stands debited to his personal account and it is to be corrected.
- (v) Write off 1/5th of advertisement expenses.

You are to prepare Trading and Profit & Loss Account for the year ended 31st March, 2024 and a Balance Sheet as at that date.

UNIT – II

4. Describe the process of recording business transactions in a computerized accounting system. How does this system enhance the accuracy and efficiency of financial reporting ?

Interest on Investments		300
Sundry Creditors		24,000
Miscellaneous Receipts		2,000
Carriage Inwards	12,000	
General Expenses and Insurance	39,000	
Advertisement Expenses	15,000	
Postage	4,000	
Sundry Debtors	56,000	
B. Barua	2,000	
Cash Balance	14,000	
Bank		3,200
Suspense Account		2,500
	7,06,000	7,06,000

The following additional information is available :

- (i) Stock on 31st March, 2024 was ₹ 30,800.

5. On 1st April, 2021 a firm purchased machinery for ₹ 3,00,000. On 1st October, 2021, additional machinery costing ₹ 1,50,000 was purchased on 1st October, 2022, the machinery purchased on 1st April, 2021 having become obsolete, was sold for ₹ 1,35,000. On 1st October, 2023, new machinery was purchased for ₹ 3,75,000 while the machinery purchased on 1st October, 2021 was sold for ₹ 1,27,500 on the same day. The firm provides depreciation on its machinery @ 10% per annum on original cost on 31st March every year.

Show Machinery Account and Depreciation Account for the period of three accounting years ending 31st March, 2024. <https://www.pyqonline.com>

UNIT – III

6. Define debentures and explain the accounting treatment for their issue and redemption. What are the different types of debentures a company may issue ?

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7. The Directors of R Ltd. invited applications for 2,00,000 Shares of ₹ 10 each, issued at 20% premium. Share was payable as ₹ 5 on application, ₹ 4 (including premium) on allotment and balance on call. Public had applied for 3,20,000 shares out of which applications for 20,000 shares were rejected and remaining were allotted on pro-rata basis. Simba, an applicant of 15,000 shares failed to pay allotment and call money. His shares were forfeited and out of these 6,000 shares were reissued at a discount of ₹ 2 per share. Pass the journal entries.

UNIT – IV

8. Describe the process of preparing a profit and loss account and a balance sheet as per Schedule VI of the Companies Act. What information does each of these statements provide ?
9. What are the objectives of final accounts, and how do they assist in determining a company's financial position ?