



Model Paper-I
Business Accounting
BCA – II Year

Time: 3 Hrs.

MM:100

I) Very Short Answer Questions

2*10=20

- Q. 1 What is meant by accounting principles?
Q. 2 What is Convention of Materiality ?
Q. 3 What are personal accounts? Give four examples.
Q. 4 What is meant by Petty Cash Book.
Q. 5 What does a credit balance as per cash book mean?
Q. 6 Give the formula for calculating annual amount of depreciation under straight line method.
Q. 7 What is meant by deferred revenue expenditure?
Q. 8 What is meant by 'Order of Liquidity'?
Q. 9 In trial balance of a trader, the debtors are Rs. 80,000. Provision for bad and doubtful debts on debtors is @ 5% and provision for discount on debtors @3%. Calculate the amount of provision for discount on debtors.
Q.10 Stock of the value of Rs. 2,00,000 has been insured for Rs. 1,50,000. The loss of stock by fire is estimated to the extent of Rs. 1,25,000. Find out the amount of claim if average clause is applicable.

II) Short Answer Questions (each carrying 4 marks)

4*5=20

- Q. 1 Show the effect of the following transactions on the Accounting Equation :
1. Bought goods for Rs. 40,000 from Ram on credit.
 2. Sales Rs. 20,000 to Shyam (Cost Rs. 16,000)
 3. Paid Rent Rs. 1,000 and salary accrued Rs. 5,000.
 4. Withdrew for domestic use Rs. 4,000.
 5. Paid to creditors Rs. 10,000.
- Q. 2 Explain the meaning of debit note and credit note.
Q. 3 State any five functions of Trial Balance.
Q. 4 Favourable balances as per Pass book is given Rs. 10,000. Bank Charges Rs. 3,000. Interest on deposit Rs. 30,000, direct payment by Bank Rs. 5,000 under standing instructions are not recorded in Cash Book. Find out the name as per Cash Book.
Q. 5 What are the objectives of preparing a Balance Sheet.

III) Long Answer Questions

12*5=60

- Q. 1 What is Accounting? What are its characteristics and explain its functions.

Or

What do you mean by Accounting. Concepts and conventions? Explain any five important accounting concepts and conventions.

- Q. 2 Pass Journal entries in the books of Ram Rahim & Bros.

1 June	Commenced Business with cash Rs. 80,000; Goods Rs. 40,000 and Furniture Rs.
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	20,000
2 June	Sold goods to M of the list price of Rs. 20,000 at trade discount of 10%.
4 June	M returned goods of the list price Rs. 4,000
8 June	Received from M Rs. 14,150 in full settlement of his account.
10 June	Purchased goods from Mohan of the list price of Rs. 10,000 at 15% trade discount
13 June	Returned goods to Mohan of the list price of Rs. 1,000
16 June	Settled the account of Mohan by paying cash, under a discount of 4%
18 June	Purchased goods from Arif Rs. 5,000; Sunil Rs. 10,000
19 June	Paid Rs. 9,800 to Sunil in full settlement of his account.
20 June	Paid cash to Arif Rs. 1,900 and discount received Rs. 100
20 June	Bought two 'Table Fans' for Rs. 1,200 each for the domestic use of the proprietors.
20 June	Sold goods for cash of the list price of Rs. 8,000 at 10% trade discount and 3% cash discount.
30 June	Paid Rent Rs. 800; Trade Expenses Rs. 700 and Travelling Expenses Rs. 380

Or

What is Imprest System of Petty Cash Book? Explain it with the help of an example.

Q. 3 Mr. Kumar was unable to agree the Trial Balance last year so he wrote the difference in Suspense Account. The following errors were located in the next year :

1. Purchases Day Book was overcast by Rs. 10,600.
2. Receipt of cash from Mr. A was posted to the debit of his account Rs. 5,250.
3. Sales of goods to Mr. B for Rs. 4,500 was omitted to be recorded.
4. Payment of Rs. 4,579 for purchases was wrongly posted as Rs. 4,795.
5. A credit purchase of goods from Mr. C for Rs. 5,000 was entered as credit sales.
6. Rs. 560 due by Mr. D was omitted to be taken to trial balance.

Or

Enumerate the various methods for calculating depreciation and mention the circumstances under which each method can be used advantageously.

Q. 4 What do you mean by closing entries? Why are they passed ? Explain giving an example.

Or

From the following Balances, prepare final accounts of M/s Raman and Sons for the year ending 31st March, 2015:

Salaries Rs. 5,400; Investment Rs. 2,500; cash Rs. 400; Purchases Rs. 84,170; Rent Received Rs. 3,150; Drawings Rs. 2,100; Bills Payable Rs. 3,900; Debtors Rs. 38,080; Stock (01-04-2014) Rs. 29,500; Bank overdraft Rs. 9,700; Carriage Rs. 2,200; Creditors Rs. 4,200; Trade Expenses Rs. 4,900; Sales Returns Rs. 4,700; Machinery Rs. 12,000; Wages Rs. 45,000; Sales Rs. 1,47,200; Purchases Returns Rs. 3,900; Capital Rs. 58,900; Closing Stock (31-03-2015) Rs. 36,200.

Q. 5 Explain the following adjustments giving an example for each :

- (a) Accrued Expenses
- (b) Accrued Income
- (c) Unearned Income
- (d) Unexpired Expenses

Or

On 31st May, 2015 a fire damaged the premises of Shyam Bros, and the business of the company was disorganised until 31st August, 2015. The firm is insured under a loss of profit policy for Rs. 2,20,000 with six month's period of indemnity.

The firm's accounts for the financial year ended 31st March, 2015 showed a turnover of Rs.

14,00,000 with net profit of Rs. 1,60,000; the standing charges covered under insurance and debited in the accounts amounted to Rs. 4,00,000. The turnover for the twelve months ended 31st May, 2015 was Rs. 15,60,000; during the period of dislocation it was Rs. 1,60,000, whereas during the corresponding period in the preceding year it was Rs. 3,40,000. A sum of Rs. 44,800 was spent to reduce the effect of the loss, but there was no saving of standing charges as the result of fire. Prepare the claim to be submitted to the insurance company.



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- Q. 1 What are Contingent Liabilities?
- Q. 2 What do you understand by Accounting Equation ?
- Q. 3 What is meant by Journal?
- Q. 4 Why is Journal sub – divided ?
- Q. 5 What are error of Principles?
- Q. 6 What is the need for providing depreciation?
- Q. 7 What are fictitious Assets?
- Q. 8 What is Net Profit?
- Q. 9 State the meaning of adjustments
- Q.10 What do you mean by Average Clause?

II) Short Answer Questions (each carrying 4 marks)

4*5=20

- Q. 1 What are generally accepted accounting principles.
- Q. 2 What is Journal Proper and state five such transactions to be recorded therein.
- Q. 3 What is meant by compensating error? Explain taking an example.
- Q. 4 Differentiate Between Trial Balance and Balance Sheet.
- Q. 5 How will you calculate the Rate of gross profit for the purpose of insurance claim on loss of Net Profit :

III) Long Answer Questions

12*5=60

- Q. 1 "Cost concept does not give a true and fair view of the state of affairs of a Business." Comment Or

Describe the fundamental Accounting Equation. How are the Revenue Income and Expenses related to it will be treated.

- Q. 2 What do you mean by 'subsidiary books'? Describe the purpose of maintaining such books.

Or

Date	Particulars	Amount	Date	Particulars	Amount
2015	Cash in hand	2,00,000	April, 14	Received cheque from 'M'	200
April, 1	Bank Overdraft	50,000		of 9,000 and deposited into	
3	Cash Sales	64,000		Bank same day discount	
5	Deposited into Bank	70,000		Allowed to him	
7	Paid Salary by Cheque	7,000		Withdrew from Bank	7,000
8	Bank Charges	2,000	17	Purchased Stationery	2,000
10	Received Cheque from A	15,000	21	A's Cheque returned	
12	A's Cheque deposited in	-----		disonoured	-----
	Bank		23	Drew a cheque for	6,000

			personal use	
		26	Paid cash to B	7,000
		30	Allowed him discount	100

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