

Roll No.

91138

**B.Com. 1st Sem. (Hons.) w.e.f. for
Academic Session 2014-15 and Current
Session Examination – November , 2018**

AN INTRODUCTION TO ACCOUNTING

Paper : BCNN-1.04

Time : Three Hours] [Maximum Marks : 80

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*. Answer other *four* questions, selecting *one* question from each Unit. All questions carry equal marks.

1. (a) Explain *two* main branches of accounting.
- (b) Describe qualitative aspect of accounting information.
- (c) Elaborate suspense account.
- (d) Define accounting process.

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P. T. O.

- (e) Give *two* examples of revenue expenditures become capital expenditure.
- (f) Describe *two* main causes of depreciation.
- (g) How will you rectify one-sided errors ?
- (h) What is difference between general and specific donation ? 2 × 8 = 16

UNIT – I

2. Define accounting. Discuss its advantages. Are there any limitations of accounting ? If yes, explain. 16
3. What do you mean by Accounting Standards ? How did need for accounting standards arise ? Explain the procedure for issuing accounting standards in India. 16

UNIT – II

4. Describe journal. Discuss the different rules for journalising the final transactions of a business with appropriate examples. 16

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5. From the following transactions of Shiva Garments prepare the Cash Book with Discount, Cash and Bank Columns :

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2016

- June 1 Balance of Cash in Hand Rs. 12,000; Overdraft at Bank Rs. 1,500.
- June 2 Deposited into Bank Rs. 10,000. Sold goods for Cash Rs. 28,000 and paid half the proceeds into Bank.
- June 3 Purchased goods for Rs. 7,000 from Manoj & Co. on Credit.
- June 5 Received a Money Order from Suresh Rs. 500.
- June 8 Received Rs. 2,800 from Govind. Paid Rs. 1,000 into Bank. <https://www.mdustudy.com>
- June 10 Received a cheque for Rs. 7,000 from Subhash and Cash Rs. 900 in full settlement of Rs. 8,000 due from him.
- June 12 Settled the account of Manoj & Co. by payment of Rs. 6,600 half Cash and half by cheque.
- June 13 Cheque received from Subhash deposited into bank.

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P. T. O.

- June 15 Paid for purchase of Machinery by cheque Rs.20,000.
- June 16 Paid wages for the erection of above Machinery Rs.1,000.
- June 17 Cheque issued for Rs. 6,000 in favour of Sachdeva & Co. for purchase of furniture.
- June 20 Purchased goods from Kalpana Garments for Rs. 10,500 on credit. Received a Bank Draft for Rs. 4,800 from Damodar & Co. in full settlement of Rs. 5,000 due from them. Sent the draft to bank.
- June 24 Bank issued a draft for Rs. 10,000 in favour of Kalpana Garments on our request. Bank charged Rs. 25 for issuing the draft. Account of Kalpana Garments was fully settled.
- June 26 Drew from bank for petty cash Rs. 100.
- June 28 Paid salary by cheque Rs. 6,000.
- June 30 Bank Charges Rs. 50 and Interest Rs. 1,620 charged by bank. Deposited into bank the entire balance after retaining Rs. 3,000 at office.

91138- (P-8)(Q-9)(18) (4)

UNIT - III

6. What do you mean by Self Balancing System ? How is it different from Sectional Balancing System ? Explain.

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7. Mr. Sachin purchased a second-hand machine on 1st January, 2011 for Rs. 2,40,000. Overhauling and erection charges amounted to Rs. 60,000.

Another machine was purchased for Rs. 1,20,000 on 1st July, 2011.

On 1st July, 2013, the machine installed on 1st January, 2011 was sold for Rs. 1,50,000. On the same date another machine was purchased for Rs. 45,000 and was installed on 30th September, 2013.

Under the existing practice, the company provides depreciation annually on 31st December @ 10% p.a. on original cost. However, from the year 2014 it decided to adopt WDV method and to charge depreciation @ 15% p.a. This change was to be made with retrospective effect.

Prepare Machinery Account and Depreciation Account in the books of Mr. Sachin for the year 2011 to 2014.

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UNIT - IV

8. The following Trial Balance was extracted from the books of Mr. Shyam Lal as on 31st December, 2006 :

Particulars	Dr. (Rs.)	Cr. (Rs.)
Capital Account <i>B/S</i>		1,00,000
Plant and Machinery <i>B/S</i>	78,000	
Furniture <i>B/S</i>	2,000	
Sales <i>T</i>		1,27,000
Purchases <i>T</i>	60,000	
Returns <i>T</i>	1,000	750
Opening Stock <i>T</i>	30,000	
Discount <i>P/L</i>	425	800
Sundry Debtors and Creditors <i>B/S</i>	45,000	25,000
Salaries <i>P/L</i>	7,550	
Manufacturing Wages <i>T</i>	10,000	
Carriage Outwards <i>P/L</i>	1,200	
Provision for Bad Debts <i>B/S</i> <i>300</i>		525

Rent, Rates and Taxes 9/11	10,000	
Advertisement 9/11	2,000	
Cash 8.5	6,900	
	2,54,075	2,54,075

Prepare Trading and Profit & Loss Account for the year ended 31st December, 2006 and Balance Sheet as on that date after taking into account the following adjustments :

- (i) Closing stock was valued at Rs. 34,220.
- (ii) Provision for Bad Debts is to be kept at Rs. 500.
- (iii) Allow interest on capital at 10% p.a.
- (iv) Furniture was old and the same was disposed off for Rs. 760 in exchange of new furniture costing Rs. 1,680. The net invoice of Rs. 920 was passed through Purchase Register (No depreciation needs to be charged on old and new furniture).
- (v) Depreciate plant and machinery by 10% p.a.
- (vi) The proprietor Mr. Shyam Lal has taken goods worth Rs. 5,000 for personal use and distributed goods worth Rs. 1,000 as samples.

9. How will you prepare Income and Expenditure Account of a non-profit organization ? How it is different from Receipts and Payments Account ? Describe.