



DALY COLLEGE OF BUSINESS MANAGEMENT

Approved by Higher Education Govt. of (M.P) Affiliated with DAVV Indore

SUBJECT: BASIC ACCOUNTING (BB-104)

Max. M. 80

Note: Attempt any three questions from Section A and any two questions from Section B

SECTION- A

Q1. Explain briefly the concept of Depreciation and distinguish between Straight Line Method and Written down Value Method of Depreciation.

Q2. What do you mean by accounting? Write its objectives and its limitations?

Q3. Write short note on the following

- a) Error of Principle & Error of Commission with an example
- b) Dual Aspect Concept & Money Measurement Concept
- c) Bank Reconciliation Statement
- d) Capital Expenditure & Revenue Expenditure

Q4. "Is Trial Balance a conclusive proof of the accuracy of the books of account? "If not, what are the errors which remain undetected in spite of its agreement?"

SECTION- B

Q4. From the following particulars prepare a Bank Reconciliation Statement as on 31st December 2017.

- (i) On 31st December,2017 the cash book of Sinha & Bros. showed a bank balance of Rs.8000 (Debit Balance)
- (ii) Cheques had been issued for Rs.5000 out of which cheques worth Rs.4000 only were presented for payment.
- (iii) Cheques worth Rs.1400 were deposited in the bank on 28th December, 2017 but had not been credited by the bank. In addition to this, one cheque for Rs.500 was entered in the Cash Book on 30th Dec, 2017 but was banked on 3-01-2018.
- (iv) A cheque from Susan for Rs.400 was deposited in the bank on 26th December,2017 but was dishonored and the advice was received on 2-01-2018.
- (v) Pass Book showed bank charges of Rs.20 debited by the bank.
- (vi) One of the debtors deposited a sum of Rs.500 in the bank account of the firm on 20th December, 2017 but the intimation in this respect was received from the bank on 2-01-2018.
- (vii) Bank Pass-book showed a credit balance of Rs.7180 on 31st December, 2017.

Q5. A company whose accounting year is the calendar year purchased on 1st April, 2002, machinery costing Rs.30000. It purchased further machinery on 1st October, 2002 costing Rs.20000 and on 1st July, 2003 costing Rs.10000. On 1st January, 2004 one-third of the machinery which was installed on 1st April, 2002, became obsolete and it was sold for Rs.3000. Show how the Machinery Account would appear in the books of the company, it being given that the machinery was depreciated by the Fixed Installment Method at 10% per annum. What will be the balance in Machinery Account on 1st January, 2005.

Q6. The following are the balances of Johari Abhushan Bhandhar Co. Ltd. as on 31st March,1998

Particulars	Amount	Particulars	Amount
Premises	30,72,000	Share Capital	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	P&L A/c	2,62,500
Debtors	8,70,000	Bills Payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash & Bank	4,06,500	Sales	41,50,000
Calls in Arrear	75,000	General Reserve	2,50,000
Interim Dividend Paid	3,92,000	Bad Debt Provision on 1-04-97	35,000
Purchases	18,50,000		
Preliminary Expenses	50,000		
Wages	9,79,800		
Gen. Expenses	68,350		
Salaries	2,02,250		
Bad Debts	21,100		
Debentures Int. Paid	1,80,000		
TOTAL	1,24,67,500	TOTAL	1,24,67,500

Other Information:

- (a) Depreciate Plant by 15%
- (b) Write off Rs.5000 from Preliminary Expenses
- (c) Half Year's Debenture Interest Due
- (d) Credit 5% Provision on Debtors for Doubtful Debts
- (e) Provide for Income Tax @50%
- (f) Stock on 31st March, was Rs. 9,50,000
- (g) A Claim of Rs. 25,000 for workmen's compensation is being disputed by the company.

Prepare Final Accounts of the Company.