

[CB-R-BBA – 283]

AT THE END OF SECOND SEMESTER
(CBCS PATTERN)

B.B.A. – ACCOUNTING FOR MANAGERS

(w.e.f. Admitted Batch 2016-2017)

Time : 3 Hours

Maximum: 75 marks

SECTION A — (5 × 5 = 25 marks)

Answer any FIVE questions.

1. Advantages of computerised accounting.
2. Types of Subsidiary books.
3. Suspense account
4. Difference between Joint venture and consignment.
5. Factors affecting depreciation.
6. How to create stock groups through Tally?
7. Distinguish between Capital Revenue and General Reserve.
8. State the meaning and objectives of Trial balance.

SECTION B — (5 × 10 = 50 marks)

Answer ALL the questions.

9. (a) Explain the accounting concepts and convention

Or

- (b) Explain various types of vouchers. Also state how to create and deleting vouchers through Tally accounting.

10. (a) Record the following transactions in Three column cash book

2019		-
		₹
Dec 1	Cash in hand	6,000
1	Bank overdraft	3,000
4	Received cheque from Hari and allowed him discount ₹ 20	580
5	Hari's cheque deposited in to bank	
10	Cash sales paid into bank	4,000
15	Withdrew from Bank for office use	1,000
18	Cash sales	3,600
25	Issued cheque to Chandu in full settlement of his account ₹ 1800	1,760
30	Deposited office cash into bank	2,000

Or

(b) From the following particulars, prepare a Bank Reconciliation Statement of Murty.

- (i) Overdraft as per pass book on March 31, 2019 was ₹ 25,800
- (ii) Cheques issued before that date but presented for payment after that date amounted to ₹ 2,400
- (iii) Cheques paid into the bank but not cleared and credited before 31.3.2019 amounted to ₹ 6,400
- (iv) Interest on overdraft amounting to ₹ 175 debited only in the pass book.
- (v) Interest on investments ₹ 1,400 was collected by the bank and credited in the pass book but not entered in the cash book.
- (vi) ₹ 1,900 in respect of a dishonoured cheque entered in the pass book but not in the cash book.

11. (a) Prepare and Trading and Profit and Loss account and a Balance Sheet as on 31.3.2019 from the following Trial balance.

Debit balances	₹	Credit balances	₹
Salaries	12,000	Capital	50,000
Purchases	52,000	Sales	94,000
Trade expenses	2,000	Discount	400
Wages	15,600	Creditors	42,000
Carriage on purchases	800	Bills payable	13,600
Office expenses	1,000		
Commission	1,200		
Bad debts	2,400		
Debtors	60,000		
Furniture	6,000		
Machinery	20,000		
Insurance	800		
Bills receivable	4,000		
Opening stock	14,000		
Cash in hand	1,000		
Cash at bank	7,200		
	2,00,000		2,00,000

Adjustments :

- (i) Closing stock ₹ 22,000
- (ii) Outstanding wages ₹ 4,000
- (iii) Prepaid Insurance ₹ 100
- (iv) Provide for reserve for doubtful debts
5% on sundry debtors
- (v) Depreciate Machinery and Furniture
@ 5%.

Or

(b) The Trial balance of a merchant disagreed the difference is carried to the credit of a suspense account as ₹ 333. Later the following errors were disclosed. Pass necessary Journal entries and show the Suspense account.

- (i) A purchase of goods for ₹ 429 from 'X' has not been posted to his account
- (ii) The purchase book is undercast by ₹ 15

- (iii) An item of interest allowed for ₹ 81 has been omitted to be posted to interest account
- (iv) A sum of ₹ 750 spent towards repairs has been charged to buildings account
- (v) A sale of old machine for ₹ 1,500 is posted to Sales account.

12. (a) Amir of Mumbai sent 1000 Watches costing ₹ 144 each to Salman of Secunderabad at an Invoice price of ₹ 180 per watch on **consignment basis**. <https://www.aknuonline.com>

Salman is entitled to a commission of 10% on the invoice price and 25% on any surplus price realised over and above the price.

Amir spent ₹ 720 towards forwarding and insurance charges. Salman received the consignment and paid ₹ 1,764 towards freight and ₹ 1,176 towards selling expenses. Salman sold 900 watches at ₹ 198 each and sent a bank draft for the amount due to Amir.

You are required to pass the journal entries and ledger accounts in the books of Amir.

Or

- (b) Balu and Chandu entered into Joint venture and remitted ₹ 30,000 each into bank account. The Joint venture is to be managed by Balu and 2% commission on sales is to be paid to him. They have to share profits and losses equally. Goods worth ₹ 50,000 were purchased and ₹ 5,000 were paid towards freight etc. $\frac{3}{5}$ stock was sold for ₹ 52,000 for cash and $\frac{1}{5}$ was sold for ₹ 18,000 on credit and received a bill for the same. The bill was discounted with the bank for ₹ 17,800. The remaining stock was taken by him at 10% less than the purchase price. Show Joint venture account and Joint bank account.

13. (a) A company purchased a Machinery on 1.4.2013 for ₹ 60,000. It further purchased Machinery on 1st October 2013 costing ₹ 40,000 and on 1st July 2014 costing ₹ 20,000.

On 1.1.2015 one third Machinery which was installed on 1.4.2013 became obsolete and was sold for ₹ 6,000. The depreciation be charged at 10% p.a. on written down value method. Company closes its accounts on 31st December every year.

Show Machinery account in the books of the company.

Or

(b) From the following particulars prepare provision for doubtful debts account and provision for discount on debtors account.

	₹
Provision for doubtful debts on 1.1.2018	10,000
Provision for discount on debtors on 1.1.2018	2,000
Debtors on 31.12.2018	2,10,000

Provide ₹ 10,000 for bad debts.

Create Provision for doubtful debts at 5%
and 2% for discount on debtors.