

S.No. : 107

BBAL 3102

No. of Printed Pages : 06

Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 39102

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BBA LLB (Integrated)

Examination 2019-2020

(Odd Semester)

FUNDAMENTALS OF ACCOUNTING

Time : 3 Hours]

[Maximum Marks : 60

Note : Attempt all questions.

SECTION - A

1. Attempt all parts of the following : $8 \times 1 = 8$
- (a) Define capital expenditure
 - (b) What is the objective of preparing balance/ sheet.
 - (c) State any two causes of depreciation.

[P. T. O.

(d) What is 'posting' in ledger account?

(e) Define drawings and bad debts.

(f) What is nominal account?

(g) Define current liabilities

(h) Define call in arrears.

SECTION - B

2. Attempt any two parts of the following : $2 \times 6 = 12$

(a) What is accounting? Explain the various branches of accounting.

(b) Explain in detail the following accounting concepts :

(i) Historical cost concept

(ii) Dual aspect concept

(iii) Accrual concept

(iv) Going concern concept

- (c) Explain the various functions of accounting cycle.
- (d) What is trial balance? Explain the various methods of preparing trial balance.

SECTION - C

Note : Attempt all the questions. Attempt any two parts from each question : $5 \times 8 = 40$

3. (a) From the following trial balance of Mr. Avinash as on 31st December, 2016, prepare the final accounts after considering necessary adjustments :

Particulars	Amount (Dr.)	Particulars	Amount (Cr.)
Drawings	2,600	Capital	30,000
Plant and Machinery	12,000	Sales	50,000
Stok on 01-01-2016	5000	Purchase Return	1,000
Purchases	35,000	Sundry Creditors	6,000
Sales Return	2,000	Discount received	600
Sundry debtors	8,000	Bills payable	2,000

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Carriage Inward	500	
Carriage outward	500	
Wages	3,000	
Salaries	2,000	
Factory rent	200	
Office rent	500	
Insurance	500	
Discount allowed	300	
Furniture	2,000	
Bad debts	400	
Commission	300	
Buildings	8,000	
Cash in hand	200	
Cash at bank	600	
Bills Receivable	6,000	
	89,600	89,600

Adjustments :

1. Closing stock ₹ 20,000.
2. Prepaid insurance ₹ 200.
3. Interest on capital @ 5%
4. Office rent outstanding ₹ 400
5. Depreciation on plant and machinery at 10%.

(b) What is Journal? Discuss the process of journalising and give the proforma of journal.

(c) What are the differences between book-keeping and accounting?

4. (a) Calculate the rate of depreciation under straight line method for each of the following machinery :

Particulars	Machine 1	Machine 2
Purchase price of the machine	₹ 80,000	17,000
Expenses to be capitalized	₹ 20,000	3,000
Estimated scrap value	₹ 40,000	2,000
Expected life of the asset	₹ 4 years	10 years

[P. T. O.]

- (b) What is written down value method of charging depreciation? Discuss its advantages and disadvantages.
 - (c) What is debenture? Explain the various types of debentures.
5. (a) Explain the differences between current ratio and quick ratio.
- (b) What is profitability ratio? Explain the various profitability ratios related to sales and investment.
- (c) Write the main differences between shares and debentures.
6. (a) What is bank reconciliation statement? Explain the importance of bank reconciliation statement along with the format.
- (b) What is balance sheet? Explain the features of balance sheet along with the format.
- (c) What is account? Explain the classification of accounts along with the rules of debit and credit.
