

Roll No.

Total No. of Questions : 07]

[Total No. of Pages : 02

MBA (Sem. – 1st)
BASIC ACCOUNTING
SUBJECT CODE : BC - 103
Paper ID : [B0203]

Time : 03 Hours

Maximum Marks : 60

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

Section - A

Q1)

(10 × 2 = 20)

- a) Book Keeping.
- b) Journal.
- c) Closing Entry.
- d) Rules regarding issuance of shares at discount.
- e) Real Accounts.
- f) Convertible Debentures.
- g) Petty Cash Book.
- h) Paid up Share Capital.
- i) Calls in arrear.
- j) Computerized Accounting System.

Section - B

(4 × 10 = 40)

Q2) Explain in detail the concepts and conventions of accounting.

Q3) Prepare two column cash book from the following transactions:

2011

- Jan 1 Balances brought down - bank Rs. 5,000 and cash Rs. 450
3 Withdraw Rs. 2,000 from bank
5 Bought goods for Rs.1,500 paying by cheque
8 Purchased stationery by cash Rs.50
11 Paid electricity bill Rs.100 by cheque
15 Sold goods for Rs.2,000 and received cheque
20 Paid into bank Rs.150

with the following trial balance as on 31st May, 2001 :

	Dr. Rs.	Cr. Rs.
Stock on 31.5.2000 (at cost)	35,000	—
Depreciation	5,000	—
Provision for depreciation	—	40,000
Fixed assets (at cost) 50,000 _		
Investments at cost	1,25,000	—
Profit/loss on sale of investments _ 80,000		
Sale (at 20% gross profit margin)	—	8,00,000
Purchases	7,50,000	—
Balances in customer's accounts	1,00,000	20,000
Balances in supplier's accounts	5,000	60,000
Expenses	42,000	—
Discount	18,000	12,000
Commission	50,000	80,000
Amounts due to principals	—	8,000
Amounts due from consignees	75,000	—

Deposits with consignors	1,00,000	–
Deposits from consignees	–	1,50,000
Cash	7,000	–
Income on investments	–	5,000
Interest on deposits:		
With consignors	–	12,000
From consignees	18,000	–
Prepaid /outstanding expenses:		
as on 31.5.2000	7,000	13,000
as on 31.5.2001	9,000	6,000
Fixed deposits with bank	2,00,000	–
Interest on bank fixed deposit	–	20,000
Drawing/Capital	60,000	3,00,000
Bank	–	58,000
Total	16,64,000	16,64,000

You find that the cost of fixed assets sold was Rs. 30,000, the accumulated depreciation up to the date of sale was Rs. 9,000. You are required to prepare.

- Trading and Profit and Loss account
- Balance sheet as on 31st May, 2001.

Q5) ABC Limited offered for public subscription 2,000 Equity shares of Rs. 100 each at a premium of Rs. 20 per share on the following terms

- Applications money to be paid on 30th June, 2000; Rs. 40 per share.
- Allotment money to be paid on 20th September, 2000; Rs. 50 per share including Rs. 20 premium.
- First and final call money to be paid on 31st December, 2000; Rs. 30 per share.

Applications for 4,000 shares were received, the Company decided to:

- Allot in full 200 shares to 4 applicants who had applied for the same.
- Reject the application for 1,400 shares applied for by persons suspected to be agents of a rival company
- Allot the balance number of shares proportionately, to the remaining applicants, and to apply the excess money paid towards the allotment money dues.

Ravi who had applied for 100 shares and who was allotted all the shares applied for could not pay the final call. After due notices all such shares were forfeited and reissued at a discount of 20% of the face value of the share of Mr. Reddy.

Pass the necessary journal entries to record the above transactions in the books of the Company.

Q6) What is management accounting? Explain the limitations of management accounting.

Q7) Ruby who was allotted 60 shares on the proportion basis could not pay the final call. After due notices all such shares were forfeited and reissued at a discount of 20% of the face value of the share of Mr. Reddy. Comment on this statement.

