

**BACHELOR OF BUSINESS ADMINISTRATION  
(RETAIL SERVICES) (BBARS)**

**Term-End Examination**

**June, 2014**

**BRS-004 : BUSINESS ACCOUNTING**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Attempt any five questions. All questions carry equal marks.*

1. Differentiate between 'financial accounting' and 'management accounting, State the uses and users of accounting information with the help of suitable examples.
2. Write an essay on basic accounting concepts and conventions. What purposes is served by these basic concepts ?
3. Why is 'computerised accounting' gaining importance in modern business ? Which are the popular accounting software in India ? What are the salient features of TALLY software ?
4. What do you understand by the term 'financial statements' and why are these prepared ? How are these statements analysed to find out profitability of business ?
5. State the usefulness of a 'Trial Balance'. Can an accountant prepare financial statements without preparing a Trial Balance ? What happens if a trial balance does not reconcile ?

6. Following Financial information is extracted for the books as on 31/03/2008.

A/C	Dr. Balance Rs.	Cr. Balance Rs.
Motor Vehicle	6,250	
Furniture and Fitting	640	-
Building	7,500	-
Capital	-	12,500
Bad debts	125	-
Commission Received	-	575
Sundry Debtors and Creditor	3,800	2,500
Stock on 01/04/2007	3,460	-
Purchase and Sales	5,475	15,450
Bank Overdraft	-	2,850
Sale and Purchase Return	200	125
Advertising	450	-
Interest Account	118	-
Cash in Hand	650	-
Taxes and Insurance	1,250	-
General Expense	782	-
Salary	3,300	-

Adjustments :

- (a) Stock on hand on 31/03/2008 was 3,250
- (b) Depreciate building @ 5%, furniture @ 10% and motor vehicle by Rs. 1,250/-
- (c) Rs. 85 is due for interest on Bank overdraft
- (d) Salaries Rs. 300 and Taxes Rs. 120 are outstanding

- (e) Insurance is prepaid to the extent of Rs. 100
- (f) One fifth of the commission received is in respect of the work to be done next year

Prepare Trading and Profit/Loss Account for the year ended 31/03/2008.

7. Write necessary journal entries in the books of account of ABC Ltd, for the following transactions :
- (a) Business started with cash Rs. 18,000 and plant and machinery Rs. 13,000/-
  - (b) Stock purchase for sale (cash purchase = 10,000/- and credit purchase = 15,000).
  - (c) Wages paid Rs. 25,000/-
  - (d) Salary paid Rs. 5,00,000/- but due only 3,20,000/-
  - (e) Sale made for cash Rs. 6,00,000 and on credit Rs. 7,00,000
  - (f) Depreciation @ 7.5% on plant and machinery
  - (g) Goods costing Rs. 75,000/- destroyed by sudden fire
  - (h) Payment made to older creditor of Rs. 1,20,000/- at 5% discount
  - (i) Raw material purchased of Rs. 29,000/-
  - (j) Recovered Rs. 20,000/- from is debtor for a landed amount of Rs. 40,000/-, Rs. 20,000 become bad debts

8. The various balances were extracted from the books of account of XYZ Ltd. On, 30 June 2003, after the income statement for that year had been prepared and all the relevant adjustments had been made.

Balance as on 30/06/2003	Rs.
Free hold land and building at cost	32000/-
Bank overdraft	27200/-
Cash in hand	1680/-
Inventory	74400/-
Creditors	18560/-
10% of debentures	34000/-
Divident proposed 8% Preference share	1600/-
Ordinary share	6000/-
Accurate expenses	2400/-
General reserves (as 01/07/2002) : Rs. 8,000/-	20000/-
Share Capital : 200 8% Pref. share of Rs.100 each	20000/-
6,000 ordinary shares of Rs. 10 each	60000/-
Investment at cost	14800/-
Motor Vehicles at cost	37200/-
Provision for depreciation on 30/06/2003	9600/-
Plant and Machinery at cost	84960/-
Provision for depreciation on 30/06/2003	24160/-
Retained income (At 01/07/2002, Rs. 28,000)	32800/-
Share premium	14240/-
Accounts Payable	25520/-

The authorised share capital consists of 400 8% preference shares of 100 each and 1200 ordinary shares of Rs. 10 each.

Prepare the Balance sheet of XYZ Ltd. as on 30/06/2003. Also as certain the net income for the year.