

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

Term-End Examination

December, 2013

BRS-004 : BUSINESS ACCOUNTING

Time : 3 hours

Maximum Marks : 100

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

1. Explain the meaning of 'accounting'. Who are the users of this information ? What are the uses of accounting data ? Give suitable examples. 20
2. State the need for accounting concepts and conventions. Explain the generally accepted accounting concepts that must be kept in mind while preparing accounts of a business. 20
3. How would you differentiate between 'single entry' and 'double entry' system of accounting. Which one would you prefer and why ? Give atleast two examples of business transactions and prepare their accounting record using double entry system. 20
4. Which statement is prepared to find out the accuracy of accounting records ? How is it prepared ? Does it guarantee that accounting records are perfectly accurate or no errors have been committed . 20

5. (a) What is a 'cost sheet' and why is it prepared ? 20
 (b) State the managerial uses of management accounting with examples.
6. Following Financial information is extracted for the books as an 31/03/2008 20

A/C	Dt. Balance Rs	Cr. Balance Rs
Motor Vehicle	16250	
Furniture & Fitting	1640	
Building	17,500	
Capital	-	112,500
Bad debts	1125	
Commission Received	-	15750
Sundry debtors and credit	13,800	12500
Stock on 1/04/2007	13,460	
Purchase & sales	15,475	115,450
Bank over draft	-	12,850
Sale & purchase return	1,200	1125
Advertising	1,450	
Interest Account	1,118	
Cash in hand	1,650	
Taxes & Insurance	11,250	
General expense	1,782	
Salary	13,300	

Adjustments :

- (a) Stock on hand on 31/03/2008 was 13, 250
 (b) Depreciate building @15%, furniture @10% and motor vehicle by Rs. 1250/-
 (c) Rs. 185 is due for interest on Bank overdraft
 (d) Salaries Rs. 3300 and taxes Rs. 2120 are outstanding.
 (e) Insurance is prepaid to the extent of Rs. 2100

- (f) One fifth of the commission received is in respect of the work to be done next year.
Prepare Trading and P/L A/C for the year ended 31/03/2008.

7. Write necessary journal entries in the books of account of ABC Ltd. for the following transactions : 20

- (a) Business started with cash Rs. 28,000 and plant and machinery Rs. 73,000/-
- (b) Stock purchase for sale (Cash purchase = 70,000/- and credit purchase = 75,000).
- (c) Wages paid Rs. 85,000/-
- (d) Salary paid Rs. 5,90,000/- but due only 3,80,000/-
- (e) Sale made for cash Rs. 6,00,000 and on credit Rs. 4,00,000
- (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. 20,000/- at 5% discount
- (i) Raw material purchased of Rs. 29,000/-
- (j) Recovered Rs. 20,000/- from debtor. For a landed amount of Rs. 40,000/- . Rs. 30,000 became bad debts.

8. The various balances were extracted from the books of account of ABC Ltd. on, 30th June 2003, after the income statement for that year had been prepared and all the relevant adjustments had been made. 20

Balance as on 30/06/2003	Rs.
Freehold Land and building at cost	132,000/-
Bank overdraft	1,27,200/-
Cash in hand	11,680/-
Inventory	1,74,400/-
Creditors	1,18,560/-
10% of debentures	1,34,000/-
Divident proposed - 8% Preference shares	11,600/-
ordinary shares	16,000/-
Accurate expenses	12,400/-
General reservers (as 1/07/2002 : Rs. 8000/-)	120,000/-
Share capital : 200 8% pref. share of Rs. 100 each	1,20,000/-
6000 ordinary shares of Rs. 10 each	1,60,000/-
Investment at cost	1,14,800/-
Motor vehicles at cost	1,37,200/-
Provision for depreciation on 30/06/2003	19,600/-
Plant and machinery at cost	1,84,960/-
Provision for depreciation on 30/6/2003	1,24,160/-
Retained income (At 1/7/2002, Rs. 28,000)	1,32,800/-
Share premium	1,14,240/-
Accounts payable	1,25,520/-

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 ABC Ltd. as on 30/06/2003. Also as certain the Net income for the year.