

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

00775 Term-End Examination

December, 2014

BRS-004 : BUSINESS ACCOUNTING

Time : 3 hours

Maximum Marks : 100

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

1. What is rectification of errors ? Discuss in detail the various types of errors in the accounting system. Give suitable examples while explaining these errors. 20
2. How is the preparation of Trading, P/L account and Balance Sheet significant to an organisation ? Also discuss the important principles/rules, which are required to be considered in preparing final accounts. 20

3. Write short notes on any **four** of the following : 4×5=20

- (i) Petty Cash Book
- (ii) Economic Order Quantity
- (iii) Revenue Recognition Concept
- (iv) Retail Accounting
- (v) Tally Software
- (vi) Deferred Revenue Expenditure

4. Journalise the following transactions : 20

- (i) Commencement of business with cash (June 02, 2012) ₹ 50,000
- (ii) Stationery purchased (June 07, 2012) ₹ 500
- (iii) Rent for two months paid in advance (June 30, 2012) ₹ 7,000
- (iv) Drawings by the proprietor for household expenses (June 30, 2012) ₹ 3,000
- (v) Purchases made, payment through cheque (July 07, 2012) ₹ 5,000
- (vi) Sold goods to Rakesh (July 10, 2012) ₹ 3,000
- (vii) Depreciation on furniture (August 30, 2012) ₹ 700

(viii) Salary to clerk outstanding (September 30, 2012)	₹ 2,500
(ix) Interest on capital for the month of October, 2012	₹ 1,200
(x) Purchased goods on credit from Ashok (October 02, 2012)	₹ 5,000

5. A firm invoices goods to its branch at selling price, which is cost plus 60%. From the following figures, prepare the necessary ledger accounts in the books of head office : 20

	(₹)
Stock at Branch 01-04-2002 (at invoice)	16,000
Branch debtors 01-04-2002	14,250
Invoice price of goods sent to branch during 2002 – 03	2,08,000
Cash Sales for 2002 – 03	1,44,000
Credit Sales for 2002 – 03	41,600
Cash expenses for the branch during 2002 – 03	10,840
Cash received from branch debtors during 2002 – 03	48,000
Stock at branch on 31-03-2003 (at invoice price)	22,400
Branch debtors on 31-03-2003	7,200

- 6.** Make distinction between the following : $10+10=20$
- (i) Capital Receipts and Revenue Receipts
 - (ii) Journal and Ledger
- 7.** What is a Trial Balance and why is it required to be prepared ? Discuss in detail (with examples) various errors, which cause a mismatch in the Trial Balance total. 20
- 8.** How are subsidiary books of account important in maintaining and recording various business transactions ? Explain any four subsidiary books along with the nature of entries recorded in these books. 20
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