

**B.Sc. FOOTWEAR TECHNOLOGY (BSCFWT)**

**Term-End Examination**

00298

**December, 2014**

**BFW-045 : BASIC ACCOUNTING**

*Time : 3 hours*

*Maximum Marks : 70*

**Note : All questions are compulsory.**

1. Explain any *two* of the following : 2×5=10
- (a) Separate Entity Concept
  - (b) Dual Aspect Concept
  - (c) Journal Proper
  - (d) Accounting Period Concept
2. Journalise the following transactions in the books of a trader : 15
- (a) January 1 – Purchased goods worth ₹ 5,000 for cash less 20% trade discount and 5% cash discount.
  - (b) January 5 – Received ₹ 1,980 from Akash and allowed him ₹ 20 as discount.
  - (c) January 8 – Purchased goods from Raj for ₹ 5,000.
  - (d) January 10 – Purchased goods from Mukesh for ₹ 6,000 and paid ₹ 100 as cartage for bringing the plant to factory and ₹ 200 as installation charge.
  - (e) January 15 – Sold goods to Raju for ₹ 500.

- (f) January 18 – Raju became insolvent and could pay only 50 paise in a Rupee.
- (g) January 20 – Sold goods to Rahim for ₹ 2,000 in cash.
- (h) January 25 – Interest received from Bablu for ₹ 500.
- (i) January 28 – Paid to Sanjeev ₹ 300 as interest.
- (j) January 30 – Withdrew goods from business for personal use ₹ 500.
3. Define double entry system of accounting in Nominal Accounts, Real Accounts and Personal Accounts. 5
4. From the undermentioned particulars of Mr. Roger, prepare the Manufacturing, Trading and Profit and Loss A/c for the year ended 31-03-2011 and Balance Sheet as on that date after making the necessary adjustments : 20

Particulars	Amount (₹)
Capital as on 01.04.2010	25,000
Drawings Account	7,000
Sundry Creditors	8,000
Discount Received	702
SBI Bank (Cr.)	4,000
Reserve for Bad and Doubtful Debts	600
Purchase Returns	530
Sales	67,500
Sales Returns	86
Stock as on 01.04.2010	9,000

Plant and Machinery (including Machinery for ₹ 5,000 purchased on 1.1.2011)	17,000
Furniture	1,500
Buildings	15,000
Purchases	30,230
Manufacturing wages	6,000
Manufacturing expenses	5,000
Carriage inwards	400
Carriage outwards	420
Bad Debts	150
Salaries	2,800
Interest and Bank charges (Dr.)	126
Discount Allowed	150
Insurance (Dr.)	300
Bank of India (Dr.)	140
Cash in hand	30
Stock as on 31.03.2011	7,550

*Adjustments :*

- (a) Provide for Interest on Capital at 10% p.a.  
(No interest is to be provided on drawings)
- (b) Outstanding Expenses :
- |                             | ₹   |
|-----------------------------|-----|
| (i) Salaries                | 100 |
| (ii) Manufacturing wages    | 50  |
| (iii) Interest on bank loan | 100 |
- (c) Depreciation :
- (i) Machinery @ 10% p.a.
- (ii) Furniture @ 10% p.a.
- (iii) Buildings @  $2\frac{1}{2}$  % p.a.

(d) Prepaid Expenses :

₹

(i) Insurance 100

(ii) Salary 50

(e) Provision for bad and doubtful debts @ 10% of Debtors.

Furniture costing ₹ 500 was sold for ₹ 350 on 01.04.2010 and this amount was later credited to Furniture Account.

5. What is diminishing method of depreciation ? Describe its advantages and disadvantages. 10
6. What is fixed instalment method of depreciation ? Describe its advantages and disadvantages. 10

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