

F-4  
V-74

# BTH-104 BASIC OF ACCOUNTING

T74/V74/BHM201/BTH104/EE/20120519

Time : Three Hours

Marks : 80

Instructions for the candidates :

- 1) All questions are **compulsory**.
- 2) Draw suitable diagrams and sketches wherever necessary.
- 3) Assume suitable data if necessary.
- 4) Figures to the right indicate full marks.

1. Following is the Trial Balance of Shri Merchant on 31<sup>st</sup> December, 2001. 16  
Prepare the Trading account and Profit and Loss account for the year ended on 31<sup>st</sup> December, 2001 and the Balance Sheet as on that date.

Trial Balance as on 31-12-2001

Particulars	Amount (Dr.)	Particulars	Amount (Cr.)
Furniture	640	Capital	12,500
Vehicle	6,250	R.D.D.	200
Buildings	7,500	Creditors	2,500
Bad debts	125	Sales	15,450
Debtors	3,800	Bank overdraft	2,850
Opening stock	3,460	Purchase returns	125
Purchases	5,475	Commission	375
Sales returns	200		
Interest	568		
Cash	650		
Insurance	1,250		
Salaries	3,300		
Factory expenses	782		
Total	34,000	Total	34,000

Adjustments :

- a) Closing stock valued at Rs. 3,000.
- b) Insurance prepaid Rs. 250.
- c) Allow interest on capital @ 10% p.a.
- d) Write off bad debts Rs. 800.
- e) Commission due but not received Rs. 350.

2. Attempt **any four** of the following.

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- a) Give the rules for debit and credit of accounts.
- b) Explain the terms : (i) Drawings (ii) Assets
- c) What is a Journal?
- d) What is a Trial Balance?
- e) Explain an error of principle.
- f) What is a credit transaction?

3. Attempt **any four** of the following.

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- a) What is a bank reconciliation statement?
- b) Give six examples of nominal accounts.
- c) Point out the errors disclosed by the Trial Balance.
- d) What is depreciation?
- e) Give the types of cashbooks.
- f) Which type of transactions are not recorded in the purchase book?

4. Answer **any two** of the following.

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- a) Write the causes of depreciation.
- b) Pass the journal entries in the books of Gajanan.

2011

Jan. 1      Commenced business with own savings Rs. 80,000 and household goods Rs. 20,000.

"    4      Bought goods and furniture worth Rs. 25,000 and Rs. 5,000 respectively.

"    6      Paid into bank account Rs. 30,000

"    10      Bought machinery costing Rs. 40,000 and paid Rs. 20,000 in cash and balance by cheque.

c) Recast the following Trial Balance as on 31<sup>st</sup> March, 2005.

Particulars	Balance (Rs.)
Capital	50,000
Cash	10,000
Buildings	40,000
Drawings	5,000
Bills payable	5,000
Machinery	60,000
Creditors	30,000
Bank loan	30,000
Insurance	2,000
Unpaid bills	1,000
Commission received	500
Dividend	500

5. Answer **any two** of the following.

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a) Prepare the cashbook of Motilal with discount and cash columns.

2012

- Jan. 1 Cash balance Rs. 7,500
- " 4 Cash sales of goods worth Rs. 8,000
- " 5 Paid to Ramlal Rs. 2,400 and received discount Rs. 100.
- " 6 Bought goods costing Rs. 4,000 less 2½% cash discount.
- " 10 Withdrawn from bank for office use Rs. 5,000
- " 15 Proprietor used office cash Rs. 3,000 for household purpose.

b) State and explain the users of accounting information.

- c) Prepare a bank reconciliation statement.
- i) Bank balance as per passbook as on 31<sup>st</sup> March, 2000 Rs. 8,000.
  - ii) Cheques deposited into bank but not collected till 31<sup>st</sup> March, 2000 amounting to Rs. 3,000.
  - iii) A cheque of Rs. 5,000 issued but not encashed.
  - iv) Following entries appear in the passbook only :
    - 1) Interest credited Rs. 200.
    - 2) Bank charges debited Rs. 100.

6. Answer **any two** of the following.

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- a) State and explain capital profits.
  - b) Explain the need for a bank reconciliation statement.
  - c) Prepare the machinery account for the year 2010, from the details given below :
    - i) Machinery bought on 1-1-2010 for Rs. 50,000.
    - ii) Additional machinery bought on 1<sup>st</sup> July for Rs. 30,000.
    - iii) Total machinery sold on 31-12-2010 for Rs. 70,000.
    - iv) Depreciation is provided @ 10% p.a. under the reducing balance method.
    - v) Accounts close on 31<sup>st</sup> December each year.
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