

P P SAVANI UNIVERSITY

First Semester of B B A Examination

February - 2021

SMBB1030 - Introduction to Accounting

25.02.2021, Thursday

Time: 10:00 a.m. to 12:30 p.m.

Maximum Marks: 60

Instructions:

1. Make suitable assumptions and draw neat figures wherever required.
2. Use of simple calculator is allowed.

Q - 1 Classify the following accounts as Personal, Real or Nominal.

[05]

1	P P Savani University	6	Prepaid Insurance
2	Purchase Return	7	Opening Stock
3	Outstanding Rent	8	State Bank of India
4	Salaries	9	Bills Receivable
5	Carriage inward	10	Patel Education Trust

Q - 2 Explain the following.

[10]

- (i) Revenue Income
- (ii) Bad debts
- (iii) Debtor
- (iv) Capital
- (v) Fictitious Assets

OR

Q - 2 Distinguished

[10]

1. Fixed Assets and Current Assets.
2. Bookkeeping and Accounting.

Q - 3 Journalize the following transactions for January 2021

[15]

1. Commenced a business with cash Rs. 100000.
2. Paid Rs. 500 for refreshment at inaugural function of the shop.
3. Deposited Rs. 80000 into bank and opened a new account.
4. Purchased Goods for cash from D N Traders Rs. 20000 at 10 % trade discount and 2 % cash discount.
5. Paid Rs. 200 Carriage inward.
6. Paid Rs. 500 for shop rent and Rs. 300 for personal house rent.
7. Sold goods for cash to Mr. R Rs. 10000 at 5 % trade discount and 1 % cash discount.
8. Withdrawn Rs. 1000 for personal use.
9. Goods lost by fire Rs. 1000.

10. Place an order to Mr. Y for goods Rs. 50000.

OR

- Q - 3** 1. Discuss the Rules of Debit and Credit. [15]
2. Explain - Trial Balance.

- Q - 4** Following Balances are obtained on 31-03-2020 prepare a Trial Balance. [05]

Name of Account	Rs.	Name of Account	Rs.
Capital A/c	10000	Creditors	9000
Drawing a/c	2000	Salaries	700
Bank A/c.	9100	Stationery expenses A/c.	350
Cash A/c.	5700	Purchases	12500
Furniture	8000	Sales	27900
Rent Received	800	Wages	650
Debtors	18000	Freight and Octroi	700
Loan from Mr. K.	10000		

- Q - 5** Prepare a Bank Reconciliation Statement as at 31/03/2020 [10]

1	Debit balance as per bank column of cash book	372000
2	Cheques issued to creditors but not yet presented for payment	72000
3	Dividend received by the bank but not entered in the cash book	5000
4	Interest allowed by the bank	1250
5	Cheques deposited into bank for collection but not cleared	15400
6	Bank charges	200
7	A cheque deposited into bank was dishonored but no intimation received	320
8	Bank paid Income Tax on our behalf but no information received from bank	360

OR

- Q - 5** Explain the necessity to prepare Bank Reconciliation Statement. [10]

- Q - 6** 1. Discuss the Advantages of Accounting. [15]
2. Explain - Branches of Accounting

OR

Q - 6

Prepare Final Accounts for the year ended 31/03/2020.

[15]

Debit Balance	Amount Rs.	Credit Balance	Amount Rs.
Drawings	5000	Capital	120000
Opening stock	8000	Sales	85600
Purchases	40000	Purchase returns	2000
Sales returns	1600	Commission received	3600
Carriage inwards	2350	Interest	1400
Salaries	6000	Creditors	10000
Rent	2800	Discount	800
Bad debts	6000	Goods given as samples	4400
Building	80000	Bills payable	1600
Goodwill	33000	Dividend	1800
Debtors	20000		
Furniture	5000		
Cash and Bank balance	16550		
Carriage outwards	1900		
Bills receivable	3000		
	<u>231200</u>		<u>231200</u>

Additional Information:

1. Closing Stock is of Rs.18000, Market Value is Rs. 22000.
2. Outstanding salaries payable are Rs.2000
3. Rent Rs.400 is paid in advance.
4. Depreciation is to be calculated @ 10 % on building and on Furniture @ 5 % on furniture.
