

P P SAVANI UNIVERSITY
First Semester of BBA Examination
December 2022
SMBB1030 Introduction to Accounting

19.12.2022, Monday

Time: 09:00 a.m. To 11:30 a.m.

Maximum Marks: 60

Instructions:

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same answer sheets.
3. Make suitable assumptions and draw neat figures wherever required.
4. Use of scientific calculator is not allowed.

SECTION - I

Q - 1	Define the following terms: (Any Five)	[05]	CO	BTL
(i)	Bad Debt		2	1
(ii)	Intangible Assets		2	1
(iii)	Cash Discount		1	1
(iv)	Direct Expenses		1	1
(v)	Return Inward		2	1
(vi)	Current Assets		1	1

Q - 2

Following transactions are taken from Ms. Manish books, pass journal entries, post them in the ledger and prepare trial balance on 31st March, 2022.

2022

March 01, Manisha start her business with Rs. 20,000 cash.

March 03, She purchase goods from Mr. Suresh of Rs. 7,000.

March 04, She paid Rs. 6800 to Mr. Suresh for full Settlement.

March 06, She sold goods to Ms. Sneha Rs. 12000.

March 08, She purchase furniture of Rs. 10,000 in cash.

March 09, She received Rs. 11,900 from Ms. Sneha for full settlement.

March 15, Depreciate furniture 5%.

March 20, Rent paid Rs. 500.

March 22, Commission Received Rs. 700.

March 25, Salary of employees Rs. 1200 due but not paid.

March 30, Loan taken from bank Rs. 15,000.

OR

Q - 2 (a)	Analyze the importance of accounting in business.	[05]	1	4
Q - 2 (b)	How can you justify the purpose/objectives of accounting?	[05]	1	4
Q - 2(c)	Explain types of account with golden rules.	[03]	1	3
Q - 3 (b)	Prepare a Triple Column Cash Book from the following particulars:	[12]	2	4

2021

Feb. 1 Cash in hand Rs. 1,50,000.

Feb. 2 Paid into bank Rs. 10,000

Feb. 3 Bought goods from radha for Rs. 2,000 for cash.

Feb. 4 Bought goods for Rs. 19,550 paid cheque for, discount allowed Rs. 50.

Feb. 5 Sold goods to Mohan for cash Rs. 25,000.

Feb. 6 Deposited Rs. 20,000 into bank.

- Feb. 8 Withdrew from bank Rs. 10,000.
 Feb. 9 Paid trade expenses Rs. 2,000.
 Feb. 11 Withdrew from bank for private expenses Rs. 15,000.
 Feb. 15 Paid to Mehta Bros. by cheque Rs. 2,000 and allowed him Rs. 100 as cash discount.
 Feb. 19 Received cheque from Mr. Arun Rs. 2,000, which endorsed to Mr. Mohan.
 Feb. 20 Wages paid Rs. 700.
 Feb. 22 Received crossed cheque for commission Rs. 1,100.
 Feb. 25 Purchased furniture in cash Rs. 21,000 from Neha.
 Feb. 28 Paid to Neha 20,800 by cheque for her full settlement.

OR

- Q - 3 (a) Elaborate in detail on users of accounting information. [04] 1 4
 Q - 3 (b) Record the following transactions in the below mentioned format: [04] 1 3

T. No.	Affected Account Name	Types of Account	Reason for Dr. or Cr.	Dr. or Cr.

1. Started business with cash Rs. 50,000.
 2. Deposit cash into Bank account Rs.10,000.
 3. Paid office rent Rs.1150.
 4. Purchased Machine costing Rs.13,500 from Rajesh Machinery & Co.
- Q - 3 (c) Prepare the Purchases Book for the month of April, 2022 from the following particulars of M/s Sharma & Co. Post them into ledger. [04] 2 3

- 2022
April. 4 Purchased on credit from Amit Bros. & Co.
 10 Bags of Jute @ Rs. 1000 per bag
 5 Bags of Wheat @ Rs. 3000 per bag
April. 16 Purchased from Hansa Enterprises on credit
 20 boxes of Mangos @ Rs. 800 per boxes
 2 boxes of Banana @ Rs. 50 per boxes

SECTION - II

- Q - 1 MCQ/Short Question/Fill in the Blanks (Any Five) [05]
- (i) Income statement is also known as _____. 4 2
 (ii) What do you mean by drawing? 4 1
 (iii) Accounting Standard 3 deals with _____. 3 2
 (iv) What do you mean by accounting standard? 3 1
 (v) "Wages are Direct expenses" - TRUE or FALSE. (Justify the reason) 4 2
 (vi) What do you mean by depreciation? 4 1
- Q - 2 From the following trial balance of Mr. Pathak, you are required to prepare Trading account, Profit and Loss account and balance sheet for the year ended 31st march, 2019. [15] 4 5

Debit Balance	Rs.	Credit	Rs.

		Balance	
Opening stock	50,000	Sales	14,00,000
Furniture	32,000	Creditors	1,45,000
Purchase	11,10,600	Bank overdraft	1,00,000
Carriage inward	9,400	Provision for Doubtful Debts	4,200
Bad debts	3,600	Discount	1,000
Wages	1,04,000	Purchase Return	40,000
Debtors	1,60,000	Capital	4,00,000
Sales Return	30,000		
Rent	48,000		
Salaries	1,36,000		
Cash	17,800		
Drawing	28,000		
Building	3,20,000		
Advertisement	20,000		
Interest on Bank overdraft	14,000		
Miscellaneous Expenses	6,800		
	20,90,200		20,90,200

Adjustments:

1. Closing Stock is valued at Rs. 72,000.
2. Make a provision for bad and doubtful debts @ 5% on debtors.
3. Depreciate furniture by 10%.
4. Provide for interest on capital @6% p.a.

OR

Q - 2 (a) From the following balances, prepare the final accounts of M/s Mangal & Sons for the year ended 31st March 2018 : [08] 4 4

Particular	Rs.	Particular	Rs.
Opening Stock	12,500	Debtors	32,500
B/R	2,000	Carriage	1,450
Sales	70,000	Commission	750
Purchases	37,500	Interest	900
Creditors	20,000	Printing	250
Salaries	3,850	B/P	3,150
Insurance	200	Bank	5,250
Returns in	1,300	Rent and Taxes	1,300
Capital	7,100	Furniture	1,000
Returns out	500		

Closing Stock on 31-3-2018 Rs.15,000.

Q - 2 (b)	Explain with examples the Going concern concept and accounting period concept.	[07]	3	3
Q - 3 (a)	Explain the applicability of accounting standard - 6 for Depreciation and Accounting standard - 10 for Fixed assets.	[05]	3	3
Q - 3 (b)	Elaborate importance of Accounting Standards.	[05]	3	4
OR				
Q - 3 (a)	Explain how a business organization apply - the "Business entity concept and Accrual concept"	[05]	3	3
Q - 3 (b)	Explain the Convection of consistency and convection of conservatism.	[05]	3	3

CO : Course Outcome Number BTL : Blooms Taxonomy Level

Level of Bloom's Revised Taxonomy in Assessment

1: Remember	2: Understand	3: Apply
4: Analyze	5: Evaluate	6: Create