Dr. Babasaheb Ambedkar Open University
Term End Examination December – 2019

Course	**:**	**BBA/BBAHT/BBAIB/DBA**	**Date**	**:**	**05-Jan-2020**
Subject Code	**:**	**BBA - 102(OLD/NEW)/ BBAHT-102 (OLD)/ BBAIB - 102/DBA-102**	**Time**	**:**	**03:00pm to 06:00pm**
Subject Name	**:**	**Basics of Accounting**	**Duration**	**:**	**03 Hours**
			Max. Marks	**:**	**70**

Section A

Answer the following (Attempt any three) **(30)**

1. Explain the principles of accounting.
2. What are subsidiary books? Explain with illustrations.
3. Differentiate between profit and loss account and balance sheet.
4. Discuss the causes of depreciation.
5. What is journal? Discuss the advantage of Journal.

Section B

Answer the following (Attempt any four) **(20)**

1. . On 1st April, 2012, Mr. Raja was the holder of 500 shares of Rs.10 each of Motor Cars Ltd. He has paid Rs. 2 on application and Rs. 2 on allotment but he could not pay Rs. 2 on first call and Rs. 4 on final call. At a meeting of the Directors held on that day his shares were forfeited for non-payment of the first and final calls of Rs. 2 and Rs. 4 per shares respectively. On 1st May, 2012, these shares were re-issued as fully paid to Ramvadan for Rs. 4,500 Give the journal entries for recording these transactions in the books of Maruti Motor Cars Ltd.
2. Define the difference between cash book and petty cash book.
3. Draw the format of Profit & Loss Account as per Companies Act.
4. What is the meaning of overriding preference share ? Give example.
5. On *March 2018,* Mr. Intaj, starts wholesaling business. Following transactions as follows:
   1. He started business with capital of Rs. 15,000 and Land worth Rs. 10,000.
   8. Bought goods from Bilal and Friends Rs. 1,000 and by cash from XYZ Co. Rs 2,000.
   13. Sold goods to Rehman & sons Rs. 1,500 and sale by cash Rs. 5,000.
   17. Gave away charity of cash Rs. 50 and merchandising worth Rs. 30.
   21. Paid Bilal and Friends cash Rs. 975; discount received Rs. 25.
   28. Received cash from Rehman & Sons Rs. 1,450; allowed him discount of Rs. 50.
   Journalise transaction.
6. List the factory overhead and office & administrative overhead expenses.

Section C

Part – A (Multiple Choice Questions) **(10)**

1 Mr.Y purchased goods from Mr.Z on credit. This is a/an

A Event B Transaction
C Both D None

2 The Second step of accountancy is

A Journal Entry B Ledger Posting

C Balance of Account D Trial Balance

3 Furniture is an example of_____ Account.

A Personal B Real

C Nominal D A & B

4 Net Realisable Value of an asset means

A The historical cost of the asset B Its sale value as on a particular date

C Its written down value as on a particular date D None of the above

5 Transfer to General Reserve is a charge against

A Trading Account B Profit and Loss Account

C Profit and Loss Appropriation Account D Balance Sheet

6 All direct expenses are charged against

A Trading Account B Profit and Loss Account

C Manufacturing Account D None of the above

7 Cash receipts are recorded on the _____ of the Cash Book.

A Debit side B Credit side

C Both sides D Any one side

8 Arrange the steps of accounting in sequential order -

(i) Trial Balance;

(ii) Journal Entry;

(iii) Balancing of Accounts;

(iv) Ledger Posting.

A (i),(ii),(iii),(iv) B (ii),(iii),(iv),(i)

C (ii),(iv),(i),(iii) D (ii),(iv),(iii),(i)

9 The cost of a machine is Rs.10,00,000. The rate of depreciation is 10%. The depreciation for the 3rd year, on Straight line method, is

A 6,00,000 B 5,40,000

C 3,00,000 D 4,30,740

10 Choose the odd one out

A Wages B Stationery

C Sales D Cash

Part – B (Do as Directed) (10)

Explain the following

1 Accounts Receivable

2 Fund Flow Statement

3 Solvency

4 Trial Balance

5 Draw Two column Cash Book

6 Return on Capital Employed

7 Shares

8 Gross Margin

9 Revenue

10 Cash Discount