

Paper Code : 44102

B.B.A. (Semester First) Examination, 2021-22

Paper (C-052)

BASIC ACCOUNTING

Time : 3 Hours | Maximum Marks : 75

Note : Attempt **all** the sections as per instructions.

Section-A

(Very Short Answer Questions)

Note : Attempt **all five** questions. Each short question carries **03** marks.

1. Define Accounting Principles.
2. Why Trial Balance is prepared?
3. What are advantages of maintaining Petty Cash Book?
4. Explain Depreciation Fund Account.
5. How categorisation of applicants is made in case of issue of shares.

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Section-B

(Short Answer Questions)

Note : Attempt **any two** questions out of the following. Each question carries **7.5** marks. $7.5 \times 2 = 15$

6. From the following particulars for the month of March 2021 find out the cost of inventory on 31.3.2021 under perpetual system using FIFO method of pricing issue of materials :

Date	Particulars	Quantity (kg.)	Rate per kg.
1.3.2021	Opening inventory	400	25
3.3.2021	Purchase of material	2,000	33
8.3.2021	Issue of material	1,600	-
13.3.2021	Purchase of material	1,000	38
20.3.2021	Issue of material	200	-
22.3.2021	Purchase of material	300	41
27.3.2021	Issue of material	360	-

Also show cost of different issues.

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7. On 1.7.2000, a company purchased a plant costing Rs. 90,000.
On 1.10.2000, a new plant costing Rs. 60,000 was purchased.
On 1.10.2001, another plant costing Rs. 30,000 was purchased.
On 1.7.2002, first plant purchased on 1.7.2000 was discarded and sold for Rs. 25,000. <https://www.mjpruonline.com>
Show plant account from 2000 to 2002 in :
- (a) The company closes books on 31st December every year, and
(b) The depreciation is calculated @ 10% p.a. on diminishing balance method.
8. State, giving reasons in brief, whether you would consider the following as revenue or capital expenditure :
- (i) Repairs Rs. 5,000 to a machine necessitated by negligence of an employee.
(ii) Import duty on raw material.
(iii) Cost of pulling down an old building preparatory to building a new one.
(iv) Rs. 2,000 spend to remove a worn out part of a delivery van and replace it with a new one.
(v) Solicitor's fees paid Rs. 10,000 to purchase a plot of land.

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<https://www.mjpruonline.com>**Section-C****(Long Answer Questions)****Note :** Attempt all questions out of the following

9. X Ltd. invited applications for 10,000 equity shares of Rs. 10 each at a premium of Rs. 4 per share. The amount was payable as follows :

On application	Rs. 2
On allotment	Rs. 6 (including premium of Rs. 2)
On first Call	Rs. 6 (including premium of Rs. 2)

Applications for 15,000 shares were received. Applications for 3,000 shares were rejected and shares were allotted on pro-rata basis among the remaining applicants. A to whom 200 shares were allotted failed to pay allotment and call money. B to whom 300 shares were allotted failed to pay the call money. The shares held both by A and B were forfeited. The forfeited shares were re-issued @ Rs. 15 per share fully paid up. Journalise.

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<https://www.mjpruonline.com>

OR

A Co. invited application for 10,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows :

On application	Rs. 2 per share
On allotment	Rs. 5 per share (including premium)
On first Call	Rs. 3 per share
On second Call	Rs. 2 per share

Applications were received for 12,000 shares and pro-rata allotment was made to the applications of 9,600 shares, the applications for remaining share being rejected.

A, to whom 80 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited.

B, to whom 120 shares were allotted failed to pay the two calls and his shares were forfeited.

Of the shares forfeited, 160 shares were re-issued to X as fully paid at Rs. 9 per share.

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Pass journal entries to record the above transactions in the books of the Company.

10. The ledger accounts of M Ltd. show the following balances :

	Rs.
14% Preference Share Capital	3,00,000
Securities Premium	20,000
Investment Allowance Reserve	50,000
General Reserve	80,000
Profit and Loss Account	38,600

The company redeems preference shares at a premium of 10% by issue of equity shares of Rs. 10 each at a premium of 20%. Fresh issue of shares is made in multiples of 100 shares for such amount as is necessary after utilising the available sources to the maximum extent.

Calculate the number of fresh shares issued and the amount transferred to Capital

OR

The balance sheet of Z Ltd. disclosed the following information on 1-1-2020 :

	Rs.
13% Debenture A/c	7,00,000
Debenture Redemption Fund A/c	5,00,000
13% Debenture Redemption Fund Investment A/c	5,00,000

The annual contribution to the Debenture Redemption Fund was Rs. 70,000 for the years 2020 and 2021. The Debentures were redeemable on 31st December, 2021. On 31st December, 2021, the investments were sold for Rs. 7,00,000 and the debentures were redeemed. <https://www.mjpruonline.com>

Prepare Debenture Account, Debenture Redemption Fund Account, and Debenture Redemption Fund Investment Account for the years 2020 and 2021.

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11 Prepare final accounts in vertical form from the following information :

Final Balance as at 31-3-2021

	Amount (Dr.)		Amount (Cr.)
Drawings	30,000	Capital	2,00,000
Debtors	1,20,000	Creditors	40,000
Bill Receivable	10,000	Bills Payable	40,000
Land & Building	80,000	Sales	3,25,000
Motor Car	40,000	Rent	9,000
Purchases	2,50,000	Purchase Return	20,000
Sales Return	35,000		
Salaries	20,000		
General Expenses	9,700		
Cash	7,000		
Bank	8,300		
Opening Stock	24,000		
	6,34,000		6,34,000

Closing stock on 31-3-2021, was valued at Rs. 27,000.

OR

Explain different technique of redemption of debentures.

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