

V
(20516)
BBA-II Sem.

Roll No.

18046

B.B.A. Examination, May 2016

PRINCIPLES OF ACCOUNTING

(BBA-206)

(New)

Time : Three Hours] [Maximum Marks : 75

Note : Attempt questions from all Sections as per instructions. The use of calculator is allowed.

Section-A

(Very Short Answer Questions)

Attempt all the *five* questions of this Section. Each question carries 3 marks. Very short answer is required not exceeding 75 words. $3 \times 5 = 15$

Indicate the following statement is True or False :

1. "The inventory under AS-2 is valued on the basis of cost price or current replacement cost, whichever is less." 3
2. "Non-cash items do not appear in Income and Expenditure Account." 3

(2)

3. "The consignee passes no entry in his books for unsold stock of the consignor lying with him." 3

Select the best alternate :

4. If nothing is given, what is the percentage maintained by marine insurance companies for reserve for unexpired risk? 3
(a) 40%
(b) 50%
(c) 70%
(d) 100%.
5. What salary is paid to active partner, when partners are not agreed? 3

Section-B

(Short Answer Questions)

This Section contains three questions, attempt any *two* questions. Each question carries $7\frac{1}{2}$ marks. Short answer is required not exceeding 200 words. $7\frac{1}{2} \times 2 = 15$

6. Calculate reserve for unrealized profit when goods are transferred by department A to department B at profit on 25% on cost. Goods supplied by department A to department B for ₹40,000. $7\frac{1}{2}$
7. Explain the difference between Hire Purchase System and Instalment Payment System. $7\frac{1}{2}$
8. How would you determine whether a group of persons does or does not constitute a partnership? $7\frac{1}{2}$

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Section-C**(Detailed Answer Questions)**

This Section contains five questions, attempt any *three* questions. Each question carries 15 marks. Answer is required in detail. 15×3=45

9. Name various accounting standards issued by the Institute of Chartered Accounts of India. Explain any four. 10+5
10. Ameer, Garib and Chatur enter into joint venture sharing the profit in 5 : 3 : 2 respectively. They contributed amount and received by the different ventures are given below :

	Ameer (₹)	Garib (₹)	Chatur (₹)
Goods Supplied	40,000	20,000	-
Other Expenses	6,000	2,000	4,000
Sales	-	14,000	80,000
Stock taken over	-	4,000	14,000

Show necessary accounts in the books of Ameer under Memorandum Joint Venture Account. 5+5+5

11. The following are the particulars relating to Bharat Bank Ltd. for the year 2010-11 :

(i) Bills for collection as on 1st April, 2011	1,00,000
(ii) Bills received for collection during the year 2011-12	10,00,000

- | | |
|---|----------|
| (iii) Bills collected during the year 2011-12 | 6,00,000 |
| (iv) Bills dishonoured and returned during the year 2011-12 | 10,000 |
- Prepare the concerned Ledger Accounts for the year 2011-12. 15

12. On 1st April, 2008 the Raniganj Collieries Ltd. took a piece of land on lease. A minimum rent of ₹ 2,000 for 1st year, ₹ 5,125 for 2nd year and ₹ 8,625 per annum for the 3rd year and onwards is to be paid merging into a royalty of ₹ 2 per tonne on coal raised, with right to recoup shortworkings over the first three years of the lease. Output for first five years was as follows :

Year	Output (in tonnes)
2008-09	250
2009-10	2,500
2010-11	4,500
2011-12	3,600
2012-13	4,000

Show Shortworkings Account in the books of Raniganj Collieries Ltd. 15

13. What do you understand by goodwill? Explain the circumstances in which question of goodwill arises in partnership. 5+10