

(20519)

Roll No.

Total Questions : 13]

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B.B.A. IInd Semester Examination, May-2019

PRINCIPLES OF ACCOUNTING

(BBA-206)

Time : 3 Hrs.]

[M.M. : 75

Note :- Attempt all the Sections as per instructions.

Section-A

(Very Short Answer Type Questions)

Note :- Attempt all the *five* questions. Each question carries 3 marks. Very short answer is required not exceeding **75** words.

1. Discuss the methods of valuation of Goodwill.
2. What is Hire Purchase System ?

3. What do you mean by Short working ?
4. Discuss the concept of GAAP.
5. What is Joint Venture ?

Section-B

(Short Answer Type Questions)

Note :- 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.

6. Name various accounting standards issued by the Institute of Chartered Accountants of India. Explain any *four*.
7. Jolly and Company took a lease of coal mine from Panjab Minerals for a period of 30 years with royalty of ₹ 5 per tonne. Minimum rent was ₹ 44,000 per year with a right to recoup short workings during the first three years of the lease. The annual output is as follows :

NA-581

(1)

Turn Over

NA-581

(2)

Year	2017	2018	2019
Output in tonnes	2,000	3,600	9,000

Journalise above transactions in the books of Jolly and Company.

8. What do you mean by Consignment ? Give journal entries in the books of Consignor and Consignee.

Section-C

(Long Answer Type Questions)

Note :- Attempt any *three* questions out of the following five questions. Each question carries 15 marks. Answer is required in detail.

9. What do you mean by Instalment Payment System ? How is it differ from Hire Purchase System ? Give journal entries in the books of purchaser and vendor under instalment payment system.

10. X Company has its Branch at Lucknow. Goods are invoiced to this branch at 20% profit on invoice price. From the following details prepare Branch Account in the books of Head Office showing Branch profit :

Goods supplied to Branch at invoice price	38,000
Wages paid by Head Office	1,520
Rent paid by Head Office	1,800
Sundry expenses paid by Head Office	200
Cash sales	24,800
Cash received from Debtors	10,000
Credit sales	11,200
Discount allowed to customers	400
Goods spoiled	100
Goods returned by customers	200

11. Rajat purchased a machine on 1st Jan., 2013 from Umang on Hire Purchase System. Cash price of machine is ₹ 81,700. Payment of machine is to be made in three equal annual instalments of ₹ 30,000 each. Vendor charges interest @ 5% p.a. Rajat charges depreciation @ 25% per annum on WDV of machine. Prepare necessary accounts in the books of Rajat.

12. Under what circumstances partnership firm is dissolved ? What journal entries will you pass in case of dissolution of a partnership firm ?

13. Balance sheet of A, B and C, who shared profits and losses in the ratio of 6 : 5 : 4 respectively, as on 31st March, 2018 was as under :

Liabilities		(₹)	Assets		(₹)
Sundry creditors		15,000	Land and building		50,000
Bills payable		7,000	Furniture		7,500
Capitals :			Stock		38,000
A	40,000		Debtors		15,000
B	35,000		Bills Receivable		7,500
C	<u>25,000</u>	1,00,000	Cash in hand		4,000
		1,22,000			1,22,000

It was decided to admit D on 1st April, 2018 and given him 1/10 share in profits according to the following terms :

- (a) The new partner would bring ₹ 15,000 as his share in capital and ₹ 7,000 as goodwill in cash which will directly be taken by the old partners.

- (b) Stock would be revalued at ₹ 34,200 and furniture at ₹ 6,600.
- (c) Provision for bad debts to be made ₹ 1,300.
- (d) Land and building to be appreciated by ₹ 15,000.

Pass necessary journal entries to record the above transactions. Prepare necessary Ledger Account and New Balance Sheet of A, B, C and D.