

**BBA (H) (1<sup>st</sup> Semester) Examinations, 2021**

**Subject: Accounting for Managers**

**Paper: BBA-1.3**

**Time: 3 Hours**

**Full Marks: 80**

**The figures in the margin indicate full marks.**

*Candidates are required to give their answers in their own words as far as practicable.*

**Group-A**

**Answer any six questions**

**5 × 6 = 30**

1. Discuss the functions of financial accounting.
2. State the qualitative characteristics of accounting information.
3. What do you mean by 'Revenue'? Give two examples of revenue of a non-profit concern.
4. Differentiate between Accounting Concepts and Accounting Conventions.
5. Discuss the features of Profit & Loss Appropriation Account in relation to partnership accounting.
6. State any two errors, with examples that do not get identified by drafting a trial balance.
7. Name the components of financial statements of as per Companies Act, 2013.
8. State the persons who are responsible for the maintenance of books of accounts of a company as per Companies Act, 2013?

**Group-B**

**Answer any five questions**

**10 × 5 = 50**

9. State, with proper explanation, whether the following statements are true or false:
  - (a) Under diminishing balance method of charging depreciate, the book value of an asset can be reduced to zero.
  - (b) Cash book can be prepared with single amount column on each side.
  - (c) All purchase related information are available in Purchase Day Book.
  - (d) Cash discount is not recorded in the books of accounts.
  - (e) Debit Note is issued by the purchaser to the supplier of goods when any such goods are returned.
10. (a) What do you mean by Depreciation? How is it different from amortisation?  
(b) State the objectives of providing depreciation.

**Please Turn Over**

(2)

11. Mr. Gaurav Mondal, a medicine trader submits the following Trial Balance on 31.3.2021:

	Dr. (Rs.)	Cr. (Rs.)
Mr. Mondal's Capital		60,400
Machinery	11,500	
Stock on 1.4.2020	14,600	
Purchases and Sales	1,01,620	1,19,060
Return	2,100	2,910
General expenses	2,300	-
Wages	600	-
Salaries	1,800	
Rent & Taxes	3,200	-
Bad Debts	520	-
Debtors and Creditors	40,000	10,000
Loan to Ruby (on 1.1.2021 @ 10% p.a.)	15,000	-
Interest on loan	-	300
Cash	480	-
Provision for bad debts	-	1,050
	1,93,720	1,93,720

Prepare Trading and Profit and Loss Account for the year ended on 31.3.2021 and also a Balance Sheet as on the same date after taking into consideration the following information:

- Provision for bad debts is to be increased to 10% on Debtors.
- Goods costing Rs. 2,440 has been taken by the proprietor for his private use.
- Wages outstanding on 31.3.2021 was Rs. 480 and Rent paid in advance Rs. 720.
- Stock-in-trade on 31.3.2021 was valued at Rs. 18,800.
- Provide depreciation @ 12.5% p.a. on machinery.

12. Distinguish between:

- Income and Expenditure Account and Receipts and Payments Account; and
- Reserves and Provisions.

13. Mr. Krishnamurthy has detected the following errors in the books of accounts. You are required to rectify the same given that errors were located by him after preparation of Trial Balance but before preparation of final accounts (Narrations must be provided in the answers):

- Repairs to plant and machinery amounting Rs. 2,000 has been charged to plant and machinery account.
- A cheque of Rs. 75,000 received from S. Saddam wrongly credited to S. Adams.
- While carrying forward of one page of the Sales Day Book to the next, the amount of Rs. 1,400 was recorded as 4,100.
- Goods worth Rs. 1,900 returned to M/s. Sulekha was properly passed through the Day Book. However, it was posted to the wrong side of the concerned personal account.
- Goods purchased worth Rs. 21,400 from Mr. Khan were wrongly recorded in Sale Day Book.

**Please Turn Over**

(3)

14. Pass Adjustment Entries to record the following transactions in the books of a manufacturing organisation:

- (a) Proprietor has drawn goods worth Rs. 57,000.
- (b) Prepaid software license fees Rs. 12,000.
- (c) Wages paid Rs. 8,500 for installation of machinery.
- (d) Unsold stock-in-trade was Rs. 1,40,000.
- (e) Salaries outstanding were Rs. 62,000.

15. Write short notes on:

- (a) Golden rules of debit and credit;
- (b) Accounting of evaluation of assets and liabilities during admission of partner.