

**Goa Vidyaprasarak Mandal's  
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND  
ECONOMICS, PONDA – GOA  
B.C.A. (SEMESTER – I) EXAMINATION, OCTOBER 2017  
BUSINESS ACCOUNTING**

Duration : 2 Hours

Marks: 50

-----  
INSTRUCTIONS: 1) ALL QUESTIONS ARE COMPULSORY.  
2) FIGURES TO RIGHT INDICATE MARKS.  
3) USE OF CALCULATOR IS ALLOWED.

Q.1) Answer the following: (5x2)  
a) What is book keeping?  
b) Give any four examples of current assets.  
c) Explain straight line method of depreciation.  
d) What do you mean by notes to accounts?  
e) What is reserve capital?

Q.2.A) Following are the transactions of M/s Vijay Traders, for the year 2016. (10)

Dec 1. Started business with cash ` 50000/-, bank ` 70000/-, building ` 400000/-.

Dec 4. Purchased raw materials worth ` 75000/- from M/s John & bros.

Dec 7. Paid cash ` 75000/- to M/s John & bros.

Dec 10. Discount allowed ` 200/-.

Dec 12. Received commission ` 600/-.

Dec 15. Sold goods to Mr. Aditya worth ` 5000/-

Dec 17. Purchased machinery worth ` 100000/-

You are required to pass the journal entries for the above transactions and prepare the following accounts.

- 1) Capital A/c
- 2) M/s. John & Bros A/c
- 3) Machinery A/c

**OR**

Q.2.B) Following are the petty cash transactions of “Sunpreet & sons, 18 June road, Panaji Goa”. (10)

1-9-2017. Paid towards printing & stationery Rs. 900 to Kamal printers as per bill no. 121.

2-9-2017. paid towards purchase of raw materials ` 2400/- to M/s D'silva & Company as per bill no 1424.

5-9-2017. Paid wages to Ramu ` 400/-

7-9-2017. Paid to Viresh for hiring his taxi for a trip to airport and back ` 850/-

8-9-2017. Paid to Dr. Suman ` 2500/- towards a medical check up of staff as per bill no. 515.

9-9-2017. Paid to hotel Ganesh ` 700/- for providing refreshments to staff as per bill no. 990.

10-9-2017. Paid to Samrat Printers ` 2100/- as per bill no 4550.

You are required to prepare a petty cash book and petty cash vouchers for the above transactions.

Their petty cash book folio is 536. (vouchers are to be prepared only incase bills are not available).

Q.3.A.) M/s. Safal & bros purchased a machinery worth `50000 on 1/4/2012 and paid ` 2000 on its installation. They purchased further machinery on 1/4/2013 for ` 30000.

They provided depreciation 10% under straight line method.

On 1<sup>st</sup> October 2016 they sold the machine which was purchased on 1/4/2012, for ` 37000.

You are required to prepare a Machinery A/c and show all the working notes for the year ended 31/3/2017. (10)

**OR**

Q.3.B) M/S Expert Traders bought a machinery worth `120000 as on 1/4/2013. Their policy is to follow reducing balance method of depreciation and they provide depreciation @ 10% on the machinery.

On 1/4/2015 they purchased one additional machinery worth ` 90000 and the same machinery was sold on 31/3/17 for ` 70000.

You are required to prepare the Machinery A/C for the year ended 31/3/2017. (show all the working notes.) (10)

Q.4.A) Given is the Trial Balance of Samarth & Company for the year ended 31<sup>st</sup> March 2017.

You are required to prepare Profit & Loss A/c for the year ended 31/3/2017 as per \ revised schedule of the Companies Act.

**Trial balance as on 31/March/2017**

Particulars	Amount	Particulars	Amount
Opening stock	68000	Share capital	250000
Furniture	50000	10% debenture	50000
Discount allowed	4000	Bills payable	2500
Advertising	2000	Creditors	20000
Bad debts	3500	Sales	426800
Commission	12000	Rent	5600
Purchases	231900	Transfer fees	9500
Plant & machinery	86000		
Rent	2500		
Cash at bank	4500		
Cash in hand	800		
Salaries	90000		
Land	154600		
Goodwill	26500		
Wages	2100		
Insurance	3000		
Freight	5400		
Interest on debentures	2000		
Printing & stationery	15600		
	<b><u>764400</u></b>		<b><u>764400</u></b>

Additional information:

- 1) Closing stock ` 82300. (10)
- 2) Provide depreciation on furniture @ 10% and on plant and machinery 5%.

**OR**

Q.4.B) You are furnished with the following data of Meryco company. (10)

**Balance sheets as on 31<sup>st</sup> March 2015 and 31st March 2016.**

Note no.	Particulars	Previous year 2015	Current year 2016
1.	Share Capital	500000	500000
2.	<u>Reserves &amp; Surplus</u>		
	General Reserve	38000	46000
	P & L A/c.	<u>42000</u>	<u>36000</u>
		<u>80000</u>	<u>82000</u>
3.	<u>Trade Payable</u>		
	Creditors	50000	22400
4.	<u>Short term provisions</u>		
	Provision for taxes	42000	46000
	Provision for doubtful debts	800	1200
5.	<u>Non current Assets</u>		
	Plant	84000	82000
	Building	90000	82000
	Goodwill	34000	34000
	Trademarks	30000	32000
6.	Inventories	70000	56800
7.	<u>Trade Receivable</u>		
	Bills receivables	14000	16400
	Debtors	46000	48000
8.	Cash	23200	40400

Additional information: Depreciation charged on plant `4000 and building ` 4000.  
You are required to prepare Cash flow statement.

**OR**

Q.5.A) Lakhani and company provides you the following information: (10)

Revenue from operation	1260000
Less sales returns	60000
<b>Net sales</b>	<b>1200000</b>
<b><u>Other expenses</u></b>	
<b><u>Administrative expenses</u></b>	
Printing and stationery	1600
General expenses	7500
Office rent, rates and taxes	8550
<b><u>Selling expenses</u></b>	
Delivery van charges	2450
salesman commission	855
Finance expenses	3290
<b><u>Change in inventory</u></b>	
Opening stock	475000

<u>Less closing stock</u>	<u>345000</u>
	<b>130000</b>
<b><u>Employee benefit scheme</u></b>	
Salaries	33000
Wages	6500
<b><u>Reserves and surplus</u></b>	
General reserve	75000
Profit / loss A/c	40000
<b><u>Shareholders fund</u></b>	
Preference share capital	350000
Equity share capital	575000
<b><u>Trade payables</u></b>	
Creditors	50000
Bills payables	30000
<b><u>Other current liabilities</u></b>	
Bank overdraft	20000
<b><u>Trade receivables</u></b>	
Debtors	65000
Bills receivables	52000
<b><u>Other current assets</u></b>	
Prepaid expenses	25000
<b><u>Fixed assets</u></b>	
Plant and machinery	500000
Land and building	550000

You  
are  
require

d to calculate:

- 1) Operating ratio
- 2) Gross profit ratio
- 3) Current ratio
- 4) Stock turnover ratio
- 5) Proprietary ratio

Q.5.B)“Nutricia international Pvt. ltd” issued 90,000 shares for public subscription and received applications for 60,000 shares. All these shares were allotted. (10)

The share amount is payable as follows:

On application     ` 20/-

On allotment       ` 30/-

On share 1<sup>st</sup> Call   ` 25/-

On share final call ` 25/-

Directors made all the calls on share. All the money was received except Final call money was not received on 5000 shares.

As a result the Directors forfeited these shares and out of these forfeited shares, 2000 shares were re-issued as fully paid at ` 70 per share.

You are required to give the journal Entries.

XXXXXXXXXXXXXXXX