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(20516)

Roll No.

BBA-II Sem.

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. $3\times5=15$

Indicate the following statement is True or False:

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

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

Select the best alternate:

- 4. If nothing is given, what is the percentage maintained by marine insurance companies for reserve for unexpired risk?
 - (a) 40%
 - (b) 50%
 - (c) 70%
 - (d) 100%.

5. What salary is paid to active partner, when partners are not agreed?

Section-B

(Short Answer Questions)

This Section contains three questions, attempt any two questions. Each question carries 7½ marks. Short answer is required not exceeding 200 words.

7½×2=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. 7½
- Explain the difference between Hire Purchase
 System and Instalment Payment System. 7½
- 8. How would you determine whether a group of persons does or does not constitute a partnership? 7½

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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. $15 \times 3 = 45$

9. Name various accounting standards issued by the Institute of Chartered Accounts of India. Explain any four. 10 + 5

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

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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:
 - Bills for collection as on (i) 1st April, 2011

Bills received for collection (ii) during the year 2011-12.

1,00,000

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10,00,000

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Bills collected during the year 2011-12

6,00,000

- Bills dishonoured and returned during the year 2011-12 10,000 Prepare the concerned Ledger Accounts for the year 2011-12. 15
- On 1st April, 2008 the Raniganj Collieries Ltd. tool 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

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

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