

5 year IMCA 3rd Sem. End Term (R&B) Examination 2020 held in 2021

Business Accounting, Paper –GE/IC-3, Full mark-70,

Time: 2 Hours, All questions carry equal mark.

Answer any five question

1.	Briefly discuss the concepts and conventions which are required for recording and reporting purpose and explain the parties for whom financial statements are reported.	14																																																												
2.	By taking 10 imaginary transactions record them into journal, post into ledger and prepare a trial balance in balance method.	14																																																												
3.	A. What are the types of cash book? Explain the various reasons of disagreement of cash book balance with pass book balance. B. What are the objectives, causes and factors of depreciation? And explain any two methods of depreciation.	7x2																																																												
4.	Harinath purchased on January 1, 2016, a plant for Rs. 50,000. On July 1, 2016 an additional plant worth Rs. 20,000 was purchased and on July 1, 2017, the plant purchased on January 1, 2016 having become obsolete is sold off for Rs. 20,000. On July 1, 2018, a new plant was purchased for Rs. 60,000 and the plant purchased on July 1, 2016 was sold for Rs. 15,000. Depreciation is to be provided at 10% p.a. on the written down value every year. Show the Plant Account for three years.	14																																																												
5.	From the following balances extracted from the books of a trader and other information Prepare income statement and a Balance sheet as on 31st March 2020.	14																																																												
	<table border="1"> <thead> <tr> <th>Ledger Accounts</th> <th>Debit Amounts</th> <th>Credit Amounts</th> </tr> </thead> <tbody> <tr> <td>Opening stock</td> <td>20,000</td> <td></td> </tr> <tr> <td>Purchases & Sales</td> <td>1,60,000</td> <td>3,25,000</td> </tr> <tr> <td>Returns</td> <td>7,000</td> <td>1,000</td> </tr> <tr> <td>Bad debt and provision for bad debt</td> <td>10,000</td> <td>6,000</td> </tr> <tr> <td>Capitals and Drawings</td> <td>20,000</td> <td>1,20,000</td> </tr> <tr> <td>Debtors & Creditors</td> <td>2,04,000</td> <td>1,00,000</td> </tr> <tr> <td>Office Expenses</td> <td>10,000</td> <td></td> </tr> <tr> <td>Salaries</td> <td>32,000</td> <td></td> </tr> <tr> <td>Wages</td> <td>22,000</td> <td></td> </tr> <tr> <td>Rent & rates</td> <td>3,000</td> <td></td> </tr> <tr> <td>Land and Building</td> <td>15,000</td> <td></td> </tr> <tr> <td>Provision for depreciation</td> <td></td> <td>2,000</td> </tr> <tr> <td>Furniture and fixture</td> <td>25,000</td> <td></td> </tr> <tr> <td>Cash and Bank Balance</td> <td>12,000</td> <td></td> </tr> <tr> <td>Investment</td> <td>8,000</td> <td></td> </tr> <tr> <td>Printing & Stationery</td> <td>10,000</td> <td></td> </tr> <tr> <td>Interest & commission</td> <td></td> <td>2,000</td> </tr> <tr> <td>Insurance</td> <td>8,000</td> <td></td> </tr> <tr> <td>Total</td> <td>5,56,000</td> <td>5,56,000</td> </tr> </tbody> </table>	Ledger Accounts	Debit Amounts	Credit Amounts	Opening stock	20,000		Purchases & Sales	1,60,000	3,25,000	Returns	7,000	1,000	Bad debt and provision for bad debt	10,000	6,000	Capitals and Drawings	20,000	1,20,000	Debtors & Creditors	2,04,000	1,00,000	Office Expenses	10,000		Salaries	32,000		Wages	22,000		Rent & rates	3,000		Land and Building	15,000		Provision for depreciation		2,000	Furniture and fixture	25,000		Cash and Bank Balance	12,000		Investment	8,000		Printing & Stationery	10,000		Interest & commission		2,000	Insurance	8,000		Total	5,56,000	5,56,000	
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	a) Value of Closing Stock is Rs.66, 000.																																																													
6.	Give specimen of the vertical form of the balance sheet and income statement as per the companies Act 2013 and explain the items of the assets side of a balance sheet.	14																																																												
7.	Answer the following: i. Distinguish between Capital expenditure and Revenue expenditure. ii. Explain the advantages of comprised accounting. iii. Explain different types of errors. iv. Distinguish between outstanding expenses and prepaid expenses	3.5x4																																																												