

Roll No.

Total No. of Pages : 03

Total No. of Questions : 07

B.Sc. (IT) (2015 & Onwards) (Sem.-4)

BASIC ACCOUNTING

Subject Code : BSIT-405

M.Code : 74087

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and students have to attempt any FOUR questions.

SECTION-A

1. Explain the following terms :

1.

- a) Book-keeping vs. Accounting
- b) Accounting cycle
- c) Generally accepted accounting principles
- d) Debit note vs. Credit note.
- e) Cash Book vs. Cash Account
- f) Purchased Machinery for Rs. 50,000 for cash on 1st April 2017. And spent 500 on installation charges. Pass necessary Journal Entry and Post in the Ledger.
- g) The following items are extracted from trial balance

Dr. Balance (Rs.)		Cr. Balance (Rs.)	
Debtors	10,000	Provision for bad debts	350
Bad debts	250		

Provision for bad debts is to be maintained @5% on Debtors. Show their relevant treatment in P&L Account and Balance Sheet.

- h) Merits of bank reconciliation statement
- i) Ploughing back of Profits
- j) Features of computerized accounting

SECTION-B

2. What is meant by double entry system of accounting? Explain the Advantages and disadvantages of double entry system of accounting.
3. Relationship between Journal and Ledger. Outline the procedure for posting the entries from journal to the ledger
4. From the following transactions prepare triple column Cash Book for the month of Oct 2016.

2016		Rs.
1 Oct	Cash Balance	9,000
	Bank Balance	11,000(Cr.)
3 Oct	Paid rent by cheque	3,000
5 Oct	Cash received on account of Cash sales	3,000
	Cash discount	300
7 Oct	Payment for cash purchases	1,000
	Cash discount	100
8 Oct	Cashed a cheque	1,000
9 Oct	Cash payment for salaries	5,000
12 Oct	Received cheque from Mr. X in full settlement and deposited the same in bank	7,700
15 Oct	Received cash from Mr. Y	4,000
	Discount allowed	500
17 Oct	Cheque received from Z	2,000
22 Oct	Withdrawn from bank for personal use	1,000
24 Oct	Cheque received from Z deposited in bank	2,000
27 Oct	Cheque received from Z dishonoured and returned by the bank	2,000
30 Oct	Paid Telephone bill by cheque (including Rs. 500 for residential connection)	2,000

5. The following balances were taken from the books of Mr. Ramjane on 31 Dec 2016.

	Rs.		Rs.
Capital	100000	Rent(cr)	2100
Drawings	17600	Railway freight	16940
Purchases	80,000	Carriage inwards	2310
Sales	140370	Office expenses	1340
Purchases Returns	2820	Printing and stationery	660
Opening Stock	11460	Postage and telegrams	820
Bad Debts	1400	Sundry debtors	62070
Provision for Bad Debts	3240	Sundry creditors	18920
Rates and insurance	1300	Cash at bank	12400
Discounter(Cr.)	190	Cash in hand	2210
Bills receivable	1240	Office furniture	3500
Sales returns	4240	Salary	9870
Wages	6280	Machinery	7000
Buildings	25000		

You are required to Prepare Trading and Profit & loss account and Balance Sheet as on 31 Dec 2016, if Closing Stock balance was Rs. 14,290

6. What is a Bank reconciliation statement? Explain the various reasons on account of which the pass book balance does not tally with the bank column of cash book.
7. Explain various short term sources of working capital finance in detail.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.