

Saraswat Vidyalaya's  
Sridora Caculo College of Commerce & Management Studies  
B.C.A Semester I End Examination, November 2022

**CAG-101 BUSINESS ACCOUNTING**

**Duration:** 2 Hours

**Total Marks:** 60

**Total Pages:** 4

**Instructions:** 1) *All questions are compulsory.*

2) *Figures to the **right** indicate **full** marks.*

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**Q1.A) Fill in the Blanks.**

**(5 × 1 = 05)**

- I. Debit all expenses and Credit all profits and gains is a rule of \_\_\_\_\_ account.
- II. If Commission is paid by cheque, then \_\_\_\_\_ account will be credited.
- III. When shares are issued for an amount equal to the face value, they are said to be issued at \_\_\_\_\_.
- IV. Shareholders having full voting rights on all matters of the company are known as \_\_\_\_\_.
- V. Depreciation method which compares the value of the assets at the end of the year with the value in the beginning of the year is known as \_\_\_\_\_.

**Q1.B) Answer the Following.**

**(5 × 1 = 05)**

- I. What do you mean by Petty Cash book?
- II. What is a Ledger?
- III. What are the causes for Depreciation? State any two.
- IV. What is a Transaction?
- V. Pass the Journal Entry on Acceptance of Application of Rs.40,00,000/-

**Q2.A)** Elaborate on various Accounting Concepts used in Accounting. (10)

**OR**

**Q2.X)** Explain the various Conventions used in Business Accounting. (10)

**Q 3.A)** Journalise the following transactions in the Books of Mr.Yash Electronics (10)

for the month for January 2022 and Create ledger for Cash Account.

January 1: Mr.Yash started the business by investing Rs.10,50,000/-

January 2: Opened an account with TJSB Bank by depositing cash

Rs.3, 49,000/-

January 7: Purchased goods for cash Rs.68,000/-

January 12: Purchased Machinery and paid by cheque Rs.5,00,000/-

January 18: Cash sales Rs. 6,79,000/-

January 22: Purchased goods from Zohar on credit Rs.40,000/-

January 25: Received cash from Kritika Rs.7,340/-

January 29: Paid Commission Rs.2,600/-

**OR**

**Q 3. X)** Elaborate on different Subsidiary Books used for recording of Accounting Transactions. (10)

**Q 4. A)** Mr Shrey Pharmaceutical Ltd. Purchased a Machinery costing Rs.8, 40,000/- on 1<sup>st</sup> April 2019. It was decided to charge depreciation at 5 % on 31<sup>st</sup> March every year. Prepare Machinery Account under Reducing Balance Method for the year 2020, 2021 and 2022. (05)



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Q4. B) Write a short note on Machine Hour Rate and Sinking Fund Method of Depreciation. (05)

OR

Q 4. X) Ruchira Ltd acquired a mine at a cost of Rs. 24,00,000/- on 1<sup>st</sup> April 2017. (05)  
It was expected to yield 4,00,000 tons of iron ore in all. The actual output was as under:

2017: 16,000 tons, 2018: 72,000 tons, 2018: 52,000 tons.

Prepare Mine account for the above years by following Depletion method of Depreciation.

Q 4. Y) Write a short note on Capital Expenditure and Revenue Expenditure. (05)

Q 5.A) From the following Ledger Balances taken from Adarsh Ltd as on 31<sup>st</sup> march 2022. Prepare a statement of Profit and Loss account as per the Schedule III of Companies act 2013. (10)

Particulars	Amount (Rs)
Sales	10,65,720
Purchases	3,70,000
Furniture	90,000
Commission Received	14,000
Rent Received	14,000
Income tax	14,900
Opening stock	38,000
Sales return	6,500
Salaries	56,000
Interest Paid	5,000
Dividend Income	22,600
Depreciation on Machinery	4,850
Purchase Return	49,400
Material Consumed	46,000
Medical Expenses for Employees	6,850
Machinery	70,000

**Additional Information:** Closing stock was valued at 28,000/-

OR

**Q 5.X)** What do you mean by Financial Statements? Elaborate on Current Liabilities and Bad Debts items of the financial statement. (10)

**Q 6.A)** A limited company issued 60,000 shares of Rs. 20 each payable as follows. (05)

Rs. 4/- on application, Rs. 4/- on allotment, Rs.8/- on first and Rs. 4 on final call. Applications are received for 30,000 shares. All these shares were allotted. All the calls were made except the final call. All of the money due on the shares were received except the first call on 2000 shares. Prepare required journal entries.

**Q 6. B)** What you mean by Preference Share? State and explain different types of Preference Shares. (05)

**OR**

**Q 6. X)** What are the advantages of Preference Share Financing? (05)

**Q 6. Y)** Explain the process of Issuing of new shares to the public with a suitable example. (05)