

Set A

Unique Paper Code	:	22415103
Name of the Paper	:	Basics of Accounting
Name of the Course	:	B.Com (H) Sem. I (GE)
Duration	:	2 hours
Maximum Marks	:	75 Marks
Mode	:	Open Book Examination (OBE)

Instruction for candidates

- ❖ Attempt any 04 questions in 02 hours.
- ❖ All questions should have equal marks
- ❖ Students shall answer the question on A4 size papers and marks page number on the top of each page on the first page, the student shall write the following details.
  - Date and time of examination (DD/MM/YYYY, HRS:Min);
  - Examination roll number
  - Name of the Program i.e. B.A., B.Com, B.Sc. (Hons/Pass) etc.
  - Semester
  - Unique Paper Code (UPC)
  - Title of the paper:
  - Name of College/Institution
  - Email id of student
  - Phone number of student
- ❖ Scanning the answer sheet in the Portable Document Format (PDF) format and upload the scanned PDF of answer on the University of Delhi Portal

Question No. 1: Journaling the following transactions

1 <sup>st</sup> January, 2020	Started business with Rs. 1,10,50,000
1 <sup>st</sup> January, 2020	Deposited into bank Rs. 15,00,000
4 <sup>th</sup> January, 2020	Brought machinery worth Rs. 3,00,000
4 <sup>th</sup> January, 2020	Purchase goods from Mohan & Co. for Rs. 1,25,000
5 <sup>th</sup> January, 2020	Sold goods for Rs. 1,35,000
7 <sup>th</sup> January, 2020	Paid telephone rent for the year Rs. 5,000
8 <sup>th</sup> January, 2020	Purchase goods worth Rs. 2,10,000 from M/s Gurpreet and sons
9 <sup>th</sup> January, 2020	Paid for repair Rs.12,000 through cheque
9 <sup>th</sup> January, 2020	Paid for advertisement expenses Rs. 21,000
10 <sup>th</sup> January, 2020	Purchased computer worth Rs.1,60,000 from M/s Rama computer on credit
11 <sup>th</sup> January, 2020	Sold goods to M/s Laxami & Co. Rs. 32,000
12 <sup>th</sup> January, 2020	Withdrawal from bank Rs. 15,000 for private use
14 <sup>th</sup> January, 2020	Sold goods to Sumit for Rs. 1,45,000 for cash
15 <sup>th</sup> January, 2020	Received cash from M/s Laxami & Co. Rs. 31,000 and discount allowed Rs. 1,000

16 <sup>th</sup> January, 2020	Issued cheque for Rs, 21,000 in favour of landlord for rent of the month January, 2020
24 <sup>th</sup> January, 2020	Issued cheque in favour of Rama computer Rs. 1,58,000 in full settlement of their claim.
31 <sup>st</sup> January, 2020	Issued cheques for wages Rs. 45,000

Question No. 2: Mega General Store provides the following information relating to its inventory for the month of March 2020.

Date	Particular
1 <sup>st</sup> March, 2020	Opening balance 2,600 units @ ` 50 each.
4 <sup>th</sup> March, 2020	Purchase 1,370 units @ ` 45 each.
6 <sup>th</sup> March, 2020	Issue 500 units
9 <sup>th</sup> March, 2020	Issue 1,250 units
15 <sup>th</sup> March, 2020	Purchase 400 units @ ` 35 each.
19 <sup>th</sup> March, 2020	Issue 1,300 units
26 <sup>th</sup> March, 2020	Purchase 1,500 units @ ` 60 each.
29 <sup>th</sup> March, 2020	Issue 1,130 units

You are required to find out value of closing inventory with Perpetual and Periodic Inventory System by adopting following methods of valuation of inventory

- First In First Out (FIFO) Method
- Weighted Average Price (WAP) Method

Question No. 3: From the following trial balance of Mr. Pawan Aggarwal, Prepare Trading and Profit and loss account for the year ended 31<sup>st</sup> March 2020 and balance sheet as on that date.

Trial Balance as on 31<sup>st</sup> March, 2020

Particulars	In `	Particulars	In `
Computer at cost	2,83,800	Capital	5,00,000
Purchases	12,12,800	Sundry Creditors	2,30,000
Cash at bank	1,40,000	Bills Payable	1,02,200
Cash in hand	28,360	Discount Received	2,20,000
Furniture & fittings at cost	15,400	Sales	11,07,200
Repairs of machines	25,400	Returns Outwards	14,320
Bills Receivable	67,200	Rent due	3,200
Trade charges	9,200		
Debtors	2,41,560		
Income tax	52,000		
Discount	5,400		
Wages	18,000		
Advertisement	67,800		
Returns Inwards	10,000		
	<u>21,76,920</u>		<u>21,76,920</u>

Adjustments:

- Closing stock on 31<sup>st</sup> March, 2020 was valued at ` 2,56,000 at cost

- (ii) Depreciation on furniture and fittings shall be provided at 5% p.a.
- (iii) Provide for doubtful debts at 5% on Sundry Debtors.
- (iv) Goods Costing ` 5,000 were given on free sample.
- (v) Stationery charges ` 12,000 were due on 31<sup>st</sup> March 2020.
- (vi) No depreciation need to be provided for computer as it had been purchased on 31<sup>st</sup> March, 2020 and not put into use.

Question No. 4 : What are use of Indian Generally Accepted Accounting Principles (GAAPs) in preparation of financial statement ? In addition, what is the procedure of issues of Accounting Standards in India?

Question No. 5. ATS Pvt. Ltd. purchased a machine (M1) on 1<sup>st</sup> January, 2017 for ` 6,00,000. Further machine (M2) was purchased on 1<sup>st</sup> July, 2017 for ` 4,00,000. On expansion of business, new machine (M3) was purchased on 1<sup>st</sup> October, 2018. Due to accident on 1<sup>st</sup> November, 2018 Machine (M2) was sold for ` 12,000. Books are closed on every year on 31<sup>st</sup> December by charged depreciation with Straight Line Method @ 10 per cent per annum. You are require to pass the journal entries and prepare necessary ledger accounts and in the books of ATS Pvt. Ltd from 2017 to 2019.

Question No. 6. What is the need for distribution of business transactions into capital or revenue nature?