

**BBA (Honours) 1st Semester Examination, 2022**

**Subject : Accounting for Managers**

**Course : BBA-1.3**

**Time: 4 Hours**

**Full Marks : 80**

*The figures in the margin indicate full marks.  
Candidates are required to give their answers in their  
own words as far as practicable.*

*Answer Question No. 1 which is compulsory & any five from the rest.*

- 1.** Answer *any ten* of the following questions: 2×10=20
- (a) What is primary function of book keeping?
  - (b) State the elements of accounting equation.
  - (c) State any two points of difference between financial accounting and cost accounting.
  - (d) Give two examples of current liabilities.
  - (e) What is Sales Day Book?
  - (f) Mention any two financial statements of a non-profit concern.
  - (g) State any two features of ledger.
  - (h) 'Discount column appears in Double column cash book.' State whether true or false, with brief reasoning.
  - (i) Mention any two purposes of drafting Trial Balance.
  - (j) What do you mean by 'Imprest System' in respect of petty cash transactions?
  - (k) What is the purpose of preparing Manufacturing Account?
  - (l) State any two sub-heads appearing under the head Non-Current Assets of the Balance Sheet of company.
  - (m) What is meant by 'Entity Concept'?
  - (n) What do you mean by amortisation?
  - (o) Give, with brief explanation, an example of 'Error of Commission'.

2. Mr. Chandranath Gupta is a proprietor who owns a sweet shop in Burdwan. He provides certain details about his business for the quarter ended 31.12.2022 as follows (Figures in ₹):

	₹		₹
Sales: Credit	12,40,000	Prepaid salaries	24,000
Cash	8,80,000	Outstanding wages	12,000
Wages paid	1,20,000	Depreciation	44,000
Salaries paid	2,64,000	Rent Received	36,000
Purchases: Cash	6,40,000	Rent Receivable	12,000
Credit	7,60,000	Rates & Taxes due	10,000

You are requested to ascertain the net income of Mr. Gupta's business under the following two independent cases:

- (a) cash basis, and
- (b) accrual basis. 6+6
3. (a) What do you mean by accounting information?
- (b) Discuss, in detail, the qualitative characteristics of accounting information. 2+10
4. Ramoji Ltd., a trading organisation purchased a machine on 01.04.2019 at a cost of ₹ 5,00,000. The scrap value of the machine was estimated at ₹ 1,00,000 and its life at 5 years. On 01.04.2021 the machine was sold for ₹ 3,60,000 and another machine of the same type was purchased at a cost of ₹ 6,80,000 on that day. The scrap value of this machine was estimated at ₹ 80,000 and its life at 8 years. The costs of installing the 1st and 2nd machines were ₹ 50,000 and ₹ 20,000 respectively. Show Machinery Account and Depreciation Account for 2019-20, 2020-21 and 2021-22. 6+6
5. A summary of receipts and payments of Calcutta Cricket Club for the year 2021-22 is given below:

Receipts and Payments Account for the year ended March 31, 2022

Receipts	₹	Payments	₹
To Opening Balance	6,80,000	By Salaries: To Coaches	9,60,000
To Life Membership Fee	1,86,000	To Staff	1,44,000
To Members' Subscription	12,60,000	By Wages for groundsmen	45,000
To Tournament fee receipts	4,20,000	By Electricity charges	68,000
To Interest fee received	14,800	By Tournament expenses	2,80,000
		By Gym equipments purchased	1,40,000
		By Investment in Govt. Bonds	1,06,000
		By Administrative expenses	97,800
		By Ground maintenance	3,80,000
		By Closing Balance	3,40,000
	25,60,800		25,60,800

The following information is available for the year ended:

- Of the total subscriptions received, ₹ 68,000 is for 2020-21 and ₹ 76,800 for 2022-23.
- Subscription worth ₹ 84,000 is due for 2021-22.
- 25% of the sum received on Life Membership Fee is to be capitalised.
- Salaries outstanding ₹ 6,000 March 31, 2022.
- Interest is receivable ₹ 5,200 March 31, 2022.
- The club had the following assets on April 1, 2022:  
Gym equipments ₹ 6,20,000; Investment in Govt. Bonds ₹ 80,000.

From the given information you are required to prepare the Income and Expenditure Account for the year ended March 31, 2022.

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6. The following are the balances of ledger accounts extracted from the books of Mrs. Aditi Majhi, the proprietor of trading concern as on March 31, 2022:

	₹		₹
Purchases	7,60,500	Provision for doubtful debt	12,500
Inventories on April 1, 2021	32,250	Purchase returns	8,500
Wages	66,700	Sales	12,55,000
Cash in hand	16,400	Sundry Creditors	2,72,000
Cash at Bank	23,200	Interest received	13,000
Sundry Debtors	3,20,000	Mrs. Majhi's Capital Account	18,48,000
Land	6,80,000		
Salaries	2,64,000		
Bad debts	26,000		
Equipments	1,40,000		
Rent & Rates	13,390		
Building	6,00,000		
Freight inward	30,000		
Distribution expenses	18,350		
Printing & Stationery	14,200		
Advertisement	13,650		
Internet connectivity charges	12,000		
Office expenses	10,160		
Furniture	3,20,000		
Drawings	48,200		
	3,08,000		
	34,09,000		34,09,000

Prepare a Trading and Profit Loss Account for the year ended March 31, 2022, after considering the following additional information:

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- Value of unsold inventory on March 31, 2022 was ₹ 3,25,000.
- Outstanding expenses: Wages ₹ 12,300; Salaries ₹ 40,000.
- Prepaid expenses: Rent ₹ 8,500; Advertisement ₹ 3,200.
- Free samples distributed for publicity costing ₹ 8,400.

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- (e) Provision for bad debts to be created @ 5% on sundry debtors.  
 (f) Provide depreciation on: Building @ 10% p.a., Equipments @ 20% p.a. and on Furniture @ 5% p.a. 6+6
7. (a) What do you mean by Provision? Mention any two provisions created on assets or a business. (2+2)+8  
 (b) Distinguish between Reserves and Provisions. 2×6=12
8. A and B are in a partnership business dealing with stationery items. Given that they do not have any partnership deed, discuss how the following items will be treated while drafting Profit & Loss Appropriation Account of the firm: 2×6=12
- (a) Salary to partner A @ ₹ 40,000 p.m.;  
 (b) Interest on capital to A (₹ 12,000) and B (₹ 24,000);  
 (c) Interest on loan advanced by partner A ₹ 8,800;  
 (d) Sharing of profits earned ₹ 14,000 between A and B;  
 (e) Interest on drawings made by partner B ₹ 4,800;  
 (f) Commission ₹ 3,000 payable to partner B.
9. Amar and Akbar are partners in a firm sharing profits and losses in 3 : 2. The Balance Sheet of their firm as on March 31, 2022: 2×6

Liabilities	₹	₹	Assets	₹	₹
Capital:			Land		8,20,000
Amar	8,00,000		Plant & Machinery		6,80,000
Akbar	6,00,000	14,00,000	Inventories		6,20,000
Profit & Loss A/c		6,40,000	Sundry Debtors	5,30,000	
Reserve Fund		2,40,000	Less: Provision	1,50,000	3,80,000
Sundry Creditors		1,80,000	Cash & Bank		50,000
Bills Payable		90,000			
		25,50,000			25,50,000

Amar and Akbar have decided to admit a new partner. Anthony into the firm with effect from April 1, 2022. For the purpose of admission, the under mentioned terms were agreed upon:

- (a) Anthony should introduce ₹ 6,50,000 as his share of capital.  
 (b) Anthony will get 2/5th share in the firm.  
 (c) Inventories are to be revalued at ₹ 6,33,000.  
 (d) Plant & Machinery is to be depreciated by 5%.  
 (e) Provision on debtors is to be maintained at ₹ 1,90,000.
- Prepare Revaluation Account and Partners' Capital Account in the books of the firm. 6+6
10. Write short notes on (any two): 6×2=12
- (a) Accounting conventions  
 (b) Financial Statements as per Companies Act, 2013  
 (c) Place of keeping books of accounts and their inspection u/s 128 of Companies Act, 2013.