

**BCA(Hons) 1<sup>st</sup> Semester Examination, 2020**  
**Subject: Principles of Accounting**  
**Paper: BCA-104**

**Time: 3 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.

**A. Answer *any six* questions:**

**[6X5 = 30]**

1. Explain the users of financial accounting information and their needs.
2. Distinguish between revenue expenditure and capital expenditure with examples.
3. XYZ Ltd. purchased a machinery on 1st April 2019 at a cost price of Rs. 240000. An amount of Rs. 25000 was spent on its cartage and installation. The machine's estimated life is five years, at the end of which the estimated scrap value will be Rs. 15000. Additions are made on 1.4.2020 and 1.10.2020 to the value of Rs. 95000 and Rs. 84000 whose residual values are Rs. 5000 and Rs. 4000 respectively and both have a life of 5 years. Depreciation is provided on the straight line method. Books are closed every year on 31st March. Show Machinery Account and Depreciation Account for two years.
4. State the basic assumptions of accounting.
5. Distinguish between tangible and intangible assets with examples.
6. Write a short note on 'Material Yield Variance'
7. AB Ltd. budgeted the following data for the coming year:

	Rs.
Sales (50000 units)	100000
Variable cost	40000
Fixed cost	50000

You are required to calculate:

- (i) Margin of safety
- (ii) Sales required to earn a profit of Rs. 40000

8. Categorize the following expenses into Direct expenses, Factory overhead, Administrative overhead or Selling and Distribution overhead:

- Carriage inward
- Travelling expenses of office staff
- Rent and rates of warehouses
- Salesman commission
- Depreciation on plant and machinery
- Carriage outward
- Printing and stationery
- Indirect labour charges
- Fuel, light and power
- Advertising costs

**B. Answer any five questions**

**[5X10 = 50]**

9. From the following Trial Balance, prepare Trading and Profit & Loss Account for the year ended 31.3.2020.

	<b>Dr.</b>	<b>Cr.</b>
Stock as on 1.4.2019	200000	
Purchases and Sales	2200000	3000000
Bill receivables	50000	
Returns	50000	30000
Carriage inward	60000	
Salaries	180000	
Wages	90000	
Sundry debtors	200000	
Sundry creditors		250000
Cash-in-hand	45000	
Cash-at-bank	200000	
Office & general expenses	30000	
Plant & machinery	250000	
Furniture	170000	
Bad debts	10000	
Rent	60000	
Commission	13000	15000
Capital		500000
Drawings	50000	
Secured loan		70000
Interest on loan	7000	
	3865000	3865000

Additional information:

- (i) Stock on 31.3.2020 was valued at cost price of Rs. 400000 and market price of Rs. 420000.
- (ii) Depreciate furniture @ 10% and plant and machinery @ 20%.
- (iii) Salaries due but not paid Rs. 30000.
- (iv) Make provision for bad debts @ 5% on debtors.
- (v) Rent of Rs. 5000 was paid in advance.

**10.** Record the following transactions in Double Column Cash Book of Mr. P for the month of January, 2019.

January 1 Cash-in-hand – Rs. 14550

Cash at bank – Rs. 64500

4 Received from Mr. A cash Rs. 1800 and a Cheque for Rs. 5200

7 Salary paid to staff by Cheque – Rs. 23600

9 Drew Cheque for office use – Rs. 20500

12 Purchase furniture in cash – Rs. 13150

16 Sold goods to Mr. X for cash – Rs. 10900

21 Paid to suppliers by Cheque – Rs. 12300

24 Deposited office cash into bank – Rs. 12100

29 Goods returned by Mr. X – Rs. 2500

31 withdraw cash from bank for personal use – Rs. 3000

- 11. (i) Distinguish between ‘Accounting Concepts’ and ‘Accounting Conventions’.
- (ii) Write a short note on ‘Revenue Recognition Concept’.

**12.** From the following particulars prepare a Cost Sheet for the year ended 31.3.2020 showing cost per unit.

	Rs.
Opening stock of raw materials	15000
Purchase of raw materials	30000
Return of raw materials to suppliers	5000
Direct wages	25000
Machine hours worked – 10000	
Machine hour rate – Rs. 2	
Office overhead – 20% on works cost	
Selling overhead – Rs. 0.50 per unit	
Units produced – 20000	
Units sold – 18000 @ Rs. 7	

**13.** From the following information, prepare a Stores Ledger Account adopting FIFO method of pricing of issue of materials.

2020, March 1 Opening balance 500 tonnes @ Rs. 200  
3 Issued 70 tonnes  
4 Issued 100 tonnes  
13 Received from suppliers 200 tonnes @ Rs. 190  
14 Returned from Department A 15 tonnes  
16 Issued 180 tonnes  
20 Received from suppliers 240 tonnes @ Rs. 195  
24 Issued 115 tonnes  
27 Returned from Department B 35 tonnes  
30 Received from suppliers 100 tonnes @ Rs. 200

14. (i) What do you mean by Budgetary Control? Discuss its advantages.  
(ii) Differentiate between fixed budget and flexible budget

15. Write short notes on:  
(i) Labour Cost Variance  
(ii) Contingent liability