Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

BHMCT- SEMESTER– II • EXAMINATION – SUMMER 2015

Subject Code: 123305 **Date: 08/06/2015**

Subject Name: Basic Accounts

Time:10.30am-01.00pm **Total Marks: 70**

Instructions:

1. **Attempt any five questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 **(a)** Define the following: **07**

- Prepaid expenses, Insolvent, Debtors, Outstanding expenses, Assets , Liabilities and Bills payable

(b) What is Accounting cycle or process? State the significance of accounting. **07**

Q.2 **(a)** Explain the Accounting Principles. **07**

(b) Explain Journal and Ledger. Also state the difference between the two. **07**

Q.3 **(a)** State the principle of Double Entry System. **07**

(b) Prepare Triple Column Cash Book: **07**

Jan 1	Started business with cash		Rs 20000
Jan 2	Opened an account with bank		Rs 8000
Jan 3	Bought goods by cheque		Rs 150
Jan 4	received cheque from Rama		Rs 200
Jan 4	Allowed him discount		Rs 10
Jan 5	Sold goods for cash		Rs 40
Jan 7	Paid into bank-		
	Cash	Rs 30	
	Cheque	Rs 200	Rs 230
Jan 8	Paid Shyam by cheque		Rs 345
Jan 8	Discount received		Rs 5
Jan 8	Paid carriage by cheque		Rs 180
Jan 10	Withdrew cash from bank for office use		Rs200
Jan 30	Paid wages by cheque		Rs 60

Q.4 **(a)** **07**

Explain final accounts? What is the difference between carriage inward and Carriage outward and how it is presented in the final accounts?

(b) From the following Trial Balance prepare Trading a/c, Profit and Loss a/c for the year ended 31st December 1998 and also draw the Balance Sheet as on that date: **07**

Stock	Rs 6000	Debtors	Rs 900
Purchases	Rs 11250	Carriage & Freight	Rs 250
Sales	Rs 16500	Rent & Taxes	Rs 300
Cash in hand	Rs 500	General expenses	Rs 275
Cash at bank	Rs 1600	Discount (Cr)	Rs 275
Building	Rs 10000	Insurance	Rs 150
Salaries	Rs 650	Capital	Rs 12000
Bills Receivable	Rs 500	Creditors	Rs 3000
Bills Payable	Rs 600		

Adjustments:

1. Closing stock on 31st December 1998 was Rs 4000.
2. Depreciation on building at 5%.
3. Interest on capital is provided at 5%.

Q.5 **(a)** On 1 January 2004 the Jaipur Transport Company purchased a truck for Rs 800000. On 1 July 2005 this truck met with an accident and was completely destroyed and Rs 600000 were received by cheque from the Insurance Company in full settlement. On the same date another truck was purchased by the company for Rs 1000000. **07**

The company writes off the 20% depreciation per annum on written down value method. Prepare the truck account for 2004 to 2006 when the books are closed on 31st March every year.

(b) Discuss depreciation and methods used to calculate depreciation. **07**

Q.6 **(a)** **07**

What do you mean by Subsidiary Books? Explain various subsidiary books.

(b) Give journal entries for the following transactions: **07**

Jan 1	Started business with cash	Rs10000
Jan 2	Bought goods from Manoj in cash	Rs 5500
Jan 5	Cash withdrawn by the owner for personal use	Rs 1000
Jan 6	Sold goods to Sanjay	Rs 1200
Jan 8	Purchased typewriter from Alpha Ltd.	Rs 2000
Jan 9	Paid rent by cheque	Rs 2500
Jan 12	Deposited into bank	Rs 1000

Q.7 **(a)** Elaborate on the preparation of Bank Reconciliation Statement. **07**

(b) Computer application today plays a vital role in preparing accounting records. Explain the given statement. **07**

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