Aditya Group of Degree Colleges

ADITYA DEGREE COLLEGES

* ANDHRA PRADESH *

PREFINAL - EXAMINATIONS

I BBA *- SEMESTER - II*

SUBJECT: AFM

Max. Marks : 75 M

Time: 3 Hours

Date:

SECTION-A

I.   Answer any FIVE of the following Questions: **5 x 5 = 25 M**

1.   Advantages of computerized Accounting?

2.   Explain trade discount and cash discount?

3.   Explain the rules of double entry system?

4.   How can you calculate closing stock in consignment?

5.   Explain the difference between straight line method and diminishing balance method?

6.   Explain the following terms
     a) Delcredere commission
     b) Overriding commission.

7.   Explain the difference between Consignment and joint venture?

8.   Suspense account?

SECTION-B

II. Answer the All Question   **5 x 10 = 50 M**

9.   a) Explain various accounting concepts?

(Or)

     b) What are the advantages of Accounting?

10. a) Explain various types of subsidiary books?

(Or)

     b) Prepare a bank Reconciliation statement as on 30th April 2019 from the following particulars P's overdraft as per passbook wasRs.12000 as on 30th April 2019

     a) On 28th April 2019 cheques have been issued for Rs.7000 of which cheques worth 3000/- only has been encashed upto the 30th April 2019

     b) Cheques amounting to Rs.3500/- has been deposited into bank for collection but of those only Rs.500 has been credited in the passbook

     c) Bank charges Rs.500 interest on overdraft the intimation of which was received on 4th May

     d) Bank passbook shows credit for Rs.1000 representing Rs.400 paid by a debtor directly into bank and Rs.600 collected by bank in respect of interest on mr P's investment p had no knowledge of these items

     e) Bank has debited Rs.1200 on account of life insurance premium of Mr. p as per standing instructions which was not recorded in the cash book

     f) Credit side of the cashbook bank column was cast short by Rs.1,000

11. a) Prepare final accounts by using the given trail balance

Trail balance of Aditya on 31 – 12 – 2019

PARTICULARS	Dr. Rs.	Cr.Rs.
Capital and drawings	100,000	9,00,000
Purchases and sales	2,19,00o	5,18,000
Returns	8000	5000
Debtors and creditors	1,61,000	3,00,000
Discount	10,000	22,000
Opening stock	1,20,000	
WAGES	18,400	
Furniture	25,600	
Motorcar	2,40,000	
Buildings	6,00,000	
Rent and rates	9000	
Advartisements	9000	
Repairs	4000	
Salaries	50,000	
General Expenses	32,000	
Insurance	14000	
Carriage inwards	20,000	
Interest	-	15,000
Cash	1,20,000	
Total	17,60,000	17,60,000

Adjustments:

1. Closing stock Rs.2,50,000
2. Depreciate furniture by 5600, motorcar by 20% and building by 10%
3. Outstanding WAGES Rs.1600/- and Salaries of Rs.4000/-
4. Goods used for domestic use Rs.4000/-
5. Write off Bad debts Rs.1000/- and provide 5% for doubtful debts.
6. Prepaid insurance 4000/-

   Prepare final accounts:

(Or)

b) Explain various types of errors?

12. a) Balu and chandu enterd into a joint venture to make a film for the government the government agrees to pay Rs.1,00,000 Balu contributes Rs. 10,000 and chandu contributes Rs.15,000 These amounts are paid into a joint bank account.

Purchases of equipment	-	6000
Hire of equipment	-	5000
Wages	-	45,000
Materials	-	10,000
Office Expenses	-	5000

Balu paid Rs.2000 as licencing fee. On completion, the film was found defective and government made a deduction of Rs.10,000. The equipment was taken over by chandu at a valuation of Rs.2000, separate books were maintained for the joint venture whose profits were divided in the ratio of Balu 2/5th and chandu 3/5th – perepare necessaty ledger Accounts.

(Or)

b) Explain the following terms

a) Account sales

b) Proforma invoice

c) Normal loss

d) Abnormal loss

e) Loading price

13. a) On 1-1- 2015 a firm purchased a machinery worth Rs.5,00,000 on 1-7-2015 it purchased an additional machinery worth Rs.1,00,000 and spent Rs.10,000 for its erection. The accounts were closed on 31st December. Assuming that annual depreciation provided at 10% p.a Show the machinery account for 5 years under reducing balance method (Diminishing)

(Or)

b) Explain various types of provisions and reserves?