

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -3 EXAMINATION- 2024

BBA-II Semester

COURSE CODE (CREDITS): 23BB1HS213 (4)

MAX. MARKS: 35

COURSE NAME: Business Accounting

COURSE INSTRUCTORS: Triambica Gautam

MAX. TIME: 2 Hours

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*Note: (a) All questions are compulsory.*

*(b) Marks are indicated against each question in square brackets.*

*(c) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems*

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Q1. What is Corporate Governance? Explain briefly the reporting requirement of corporate governance in the annual report of a company.

CO5[3+2]

Q2. Give an overview of any one of the following accounting standards: AS19, AS36, AS37, AS23, AS40, AS33.

CO1[3+2]

Q3. Prepare the Bank Reconciliation Statement from the following information.

On March 31, 2005 the bank column of the cash book of Agarwal Traders showed a credit balance of Rs 1,18,100(overdraft). On examining of the cash book and the bank statement, it was found that:

1. Cheques received and recorded in the cash book but not sent to the bank for collection Rs 12,400.
2. Payment received from a customer directly by the bank Rs27,300 but no entry was made in the cash book.
3. Cheques issued for Rs. 1,75,200 not presented for payment.
4. Interest of Rs.8,800 charged by the bank was not entered in the cash book.

CO3 [3+2]

Q4. Make the rectification journal entries for the following errors detected by Rahil in his books of accounts.

- a) Salary paid Rs. 20,000 was debited to the employee's personal account.
- b) Credit purchases from Mickey's world Rs. 50,000, were recorded through sales book.
- c) Credit purchases from Sarah Rs. 15,000 were recorded through sales book. However Sarah's a/c was credited.
- d) Depreciation on machinery Rs.20,000 not posted in the machinery account.

CO4[4\*2=8]

Q5. Prepare the Cash flow statement as per AS3 from the following data.

The summarized balance sheet of Jay Ltd as on 31.12.06 and 31.12.2007 are as follows:

Liabilities	2006	2007	Assets	2006	2007
Share capital	1,00,000	1,00,000	Building	46,800	45,000
General Reserve	38,400	42,000	Plant and Machinery	38,280	42,030
Creditors	9,750	6,380	Goodwill	13,000	13,000
Tax provision	19,000	21,000	Investment	10,000	11,250
Prov. for doubtful debt	1,000	1,200	Stock	30,000	28,000
			Debtor	22,070	22,300
			Cash	8,000	9,000
	1,68,150	1,70,580		1,68,150	1,70,580

After taking the following information in to account, prepare a cash flow statement for the year ending 31.12.2007

1. The profit for 2006-2007 was Rs.8,600 against this had been charged Dep. Rs. 3,050 and increase in provision for doubtful debt Rs.200
2. Income tax Rs.18,000 was paid during the year charged against the provision and in addition Rs.20,000 was charged against profit and carried to the provision.
3. An interim dividend Of Rs.5,000 was paid in January 2007
4. Additional plan was purchased in September 2006 for Rs.5,000
5. Investments (cost Rs.5,000) were sold 2007 for Rs. 4800 and on 1<sup>st</sup> march 2007 another investment was made for Rs. 6,250.

CO4[5]

Q6. a) What is the use of subsidiary books in the accounting process?

- b) In the double entry system of accounting why are the two sides of a balance sheet always equal?
- c) Why is provision for doubtful debts created?

CO3[3\*1=3]

Q7. Explain briefly the mandatory financial statements required to be included in the annual report of a company.

CO5[4]