

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
LOGISTICS AND SUPPLY CHAIN MANAGEMENT/
AVIATION MANAGEMENT
EXAMINATION: JUNE - 2024
SEMESTER - II

Sub.: Accounting – II (BBA23-AVLS 211)

Date : 04/06/2024

Total Marks : 60

Time: 10.00 am to 12.30 pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Reduction in the value of tangible asset is called:

a) depreciation	b) depletion
c) retrograde	d) pronunciation
2. An asset purchased for Rs. 12,500 is depreciated @ 20% p.a. on written down value method. What will be the value of asset at the end of 3rd year:

a) Rs.10,000	b) Rs.7,500
c) Rs.6,400	d) Rs.5,000
3. The amount paid at the time of entering the hire-purchase transaction for the goods purchased is known as

a) Cash Price	b) Down Payment
c) Net Payment	d) First Instalment
4. Accounting Standards in India are issued by

a) Institute of Standards of India (ISI)	b) Accounting Standards Board of ICAI
c) The Central Government	d) The International Accounting Standards Board
5. LIFO Method is a method used for _____

a) Inventory Valuation	b) Depreciation
c) Hire Purchases System	d) Calculating Retirement Benefits.

Q. 2. State True / False (05)

1. Total interest on hire purchased goods is the difference between the Hire Purchase Price and the Cash Price.

a) True	b) False
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2. The ownership of goods purchased under hire purchase is transferred only when Down Payment is made.

a) True	b) False
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3. The depreciated value of the tangible assets remains the same at the end of the first year of assets put to use, whether Written Down Value method or the Straight-Line Method is followed.

a) True	b) False
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4. According to AS1, Disclosure should be made of all the fundamental accounting assumptions.

a) True	b) False
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5. Weighted Average Cost is one of the method used for depreciating intangible assets.

a) True	b) False
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Q. 3. Write Short notes on (Any Three) (15)

1. Objective of Financial Reporting
2. Straight Line Method.
3. Methods of Valuation of Inventories/ Stock.
4. AS 2 – Valuation of Inventories
5. Importance of Accounting Policies.

Q. 4. Answer in detail (Any Two) (20)

1. What is Accounting Standards and what its importance.
2. A Company purchased a machine for Rs. 3,00,000/- and incurred expenditure on its installation of Rs. 50,000/- on 1st June 2022. The company follows Written Down Value method to depreciate its assets. The rate of depreciation on machinery is 10%. You are required to calculate the depreciation on machine for the year ended 31st March 2023, 31st March 2024.
3. Explain in brief –
a) Hire Purchase Price b) Cash Price
4. Why Depreciation is an important aspect while accounting the profit of any concern.

Q. 5. Case study (15)

On 1.1.2010 A has purchased a machinery from B and paid Rs. 8,000/- at the time of delivery. The cash price was Rs. 48,000/-. The balance amount was paid in the following four instalments on the 31st December every year with interest @ 5% on cash price: Rs. 12,000/- on 31.12.2010, Rs. 11,500/- on 31.12.2011; Rs. 11,000 on 31.12.2012 and Rs. 10,000/- on 31.12.2013. Machinery was to be depreciated @ 10% p.a. on reducing balance method.

Questions:

You are required to :

1. Prepare Machinery Account in the books of A
 2. B's account in the books of A
 3. Statement of Calculation of Interest under Hire Purchase and Depreciation
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