

I Semester B.B.A. Degree Examination, Nov./Dec. 2015
(CBCS) (F+R)

(2014-15 and Onwards)

BUSINESS ADMINISTRATION

1.3 : Fundamentals of Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written in **English** only.

SECTION – A

Answer **any five** questions. **Each** question carries **two** marks.

(5×2=10)

1. a) What do you mean by accounting concept ?
- b) State any two functions of Accounting.
- c) What do you mean by balancing of an account ?
- d) Give the meaning of credit note.
- e) How do you treat the goods withdrawn by the proprietor for personal use ?
- f) What is Bank Reconciliation Statement ?
- g) What is trading account ?

SECTION – B

Answer **any three** questions. **Each** question carries **6** marks.

(3×6=18)

2. What are the objectives of accounting ?
3. Explain the rules for debiting and crediting various types of account.

P.T.O.



4. From the following information prepare Bank Reconciliation statement of Mr. Vinay as on 31st December 2011 :

Balance as per cash book on 31-12-2011 Rs. 4,250. Cheque for Rs. 3,100 were issued during the month of December 2011 but only cheque for Rs. 1,400 were presented for payment during the month of December. Cheque and cash amounting to Rs. 5,900 were deposited in the bank during the month of December but credit was given only for Rs. 3,450. The bank paid during the month of December a sum of Rs. 495 as Life Insurance Premium. The bank credited Rs. 100 as interest and debited for Rs. 45 as bank charges for which there are no corresponding entries in cash book.

5. Prepare Bharath's account in the ledger of Arun for the following transactions between them :

July 2013

		Rs.
1	Opening debt of Bharath to Arun	500
8	Arun sold goods to Bharath	2,000
10	Bharath returned goods to Arun	100
12	Arun received cash from Bharath	700
15	Bharath sold goods to Arun on account	1,000
21	Arun returned goods to Bharath	70
24	Bharath paid cash to Arun	200
31	Arun paid rent	500

6. How do you ascertain profit or loss under single entry system of Book-keeping ?



SECTION – C

Answer **any three** questions. **Each** question carries **14** marks.

(14x3=42)

7. Journalise the following transactions in the book of Mr. Dhanush :

August 2015		Rs.
1	Commenced business with cash	1,00,000
4	Deposited into Bank	25,000
8	Purchased goods for cash	15,000
10	Sold goods for cash	25,000
12	Purchase goods from Mr. X on credit	10,000
15	Sold goods to Mr. Y on credit	20,000
16	Withdraw from Bank	5,000
18	Paid to Mohan on account	6,000
20	Received from Harish on account	25,000
23	Paid Salaries	5,000
25	Paid Rent	1,000
28	Received commission	500
30	Paid wages	100
31	Cash withdrawn from business for personal use	1,500

8. Record the following transactions in an analytical Petty Cash Book under the imprest system and balance it :

2015		Rs.
January 1	Received a cheque towards Petty cash	650
3	Bought postage stamps	25



5	Paid cartage on goods	30
8	Wages paid	50
10	Received from Mr. Arun	100
12	Revenue stamps purchased	10
15	Stationery purchased	40
18	Refreshment to customers	80
20	Paid taxi fare	60
23	Paid lunch expenses	20
25	Oil for lamps purchased	90
28	Sent annual subscription to news paper	60
31	Telegram expenses	10

9. The following trial balance was extracted from the books Mr. Pradeep as on 31-12-2013 :

Particulars	Dr.	Cr.
Capital Accounts		1,00,000
Plant and Machinery	78,000	
Furniture	2,000	
Sales		1,27,000
Purchases	80,000	
Returns	1,000	750
Opening stock	30,000	
Discount	425	800



Debtors and Creditors	45,000	25,000
Salaries	7,550	
Wages	10,000	
Carriage outwards	1,200	
Rent	10,000	
Advertisement	2,000	
Cash	6,900	
B/P		20,525
	2,74,075	2,74,075

Prepare trading A/c, P and L A/c for the year ended 31-12-13 and B/s as on that date after taxing into account the following adjustments :

- 1) Closing stock was valued at Rs. 34,220
- 2) Allow interest on capital at 10% p.a.
- 3) Depreciate plant and machinery by 10% and furniture by 6%
- 4) Outstanding salary Rs. 550 and prepaid rent Rs. 1,000.

10. Mr. Ramesh keeps his book under single entry system. He gives you the following information :

	1-1-2011	31-12-2011
	Rs.	Rs.
Cash in hand	8,000	20,000
B/R	20,000	-



Sundry Debtor	38,000	60,000
Stock	41,000	38,000
Sundry Creditors	28,000	32,000
B/P	—	4,000
Investments	—	4,000
Furniture	10,000	10,000
Plant and Machinery	40,000	40,000
Building	60,000	60,000
Loan from Father-in-law	—	7,750

During the year he withdrew Rs. 8,000 for his personal use and introduced further capital of Rs. 20,000

Adjustments :

- 1) Depreciate furniture and machinery at 10% p.a.
- 2) Appreciate Building by 20%
- 3) Create reserve for doubtful debts at 8% on debtors.
- 4) Allow interest on capital at 10% p.a.

Prepare statement of profit or loss and revised statement of affairs as on 31-12-2011 :



11. From the following information find out credit sales and credit purchases of Mr. X who keeps book under single entry system.

a) Analysis of cash book reveals the following :

	Rs.
Payment to creditors	1,05,550
Received from Debtors	52,050
Cash Sales	65,460
Bills payables	16,000
Bills receivables	15,000

Note : Discount allowed Rs. 550 and discount earned Rs. 350.

b) Other information :

	1-1-2011	31-12-2011
Sundry creditors	4,570	25,640
Sundry debtors	20,000	15,620
Bills receivable	25,400	30,450
Bills payable	22,470	13,240