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I Semester B.B.A. Degree Examination, August - 2021

BUSINESS ADMINISTRATION

Financial Accounting

(CBCS Scheme Regular)

Paper : 1.3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates :

Answers should be written in English.

## SECTION - A

Answer any FIVE Sub-questions. Each question carries 2 marks:

(5×2=10)

1. a) Write any four users of Accounting.
- b) What is book keeping?
- c) Mention the types of Accounts.
- d) Why is Bank Reconciliation Statement Prepared?
- e) What do you mean by Contra entries?
- f) Give four advantages of Tally.
- g) Mention two Accounting Standards.

## SECTION - B

Answer any THREE questions. Each question carries 5 marks:

(3×5=15)

2. Briefly explain the objectives of Accounting.
3. Enter the following transactions in the simple cash book of Since 2020 :

January	1 <sup>st</sup>	Balance of cash in hand Rs. 15,000
	8 <sup>th</sup>	Purchased goods for cash Rs. 3,200.
	15 <sup>th</sup>	Sold goods for cash Rs. 4,800.
	22 <sup>nd</sup>	Received Commission Rs. 650.
	27 <sup>th</sup>	Paid to John on account Rs. 7,000
	31 <sup>st</sup>	Rent paid Rs. 600.

[P.T.O.]



4. Prepare an analytical Petty Cash book from the following transactions.

2020

- Jan. 1<sup>st</sup> Received from Cashier Rs. 1,400.  
2<sup>nd</sup> Paid Cartage Rs. 120.  
6<sup>th</sup> Postage and Telegram Rs. 60.  
8<sup>th</sup> Paid for Taxi Rs. 250.  
11<sup>th</sup> Wages paid Rs. 40.  
15<sup>h</sup> Paid to Raj in full settlement of his account Rs. 50.  
20<sup>th</sup> Postal stamps purchased Rs. 80.  
25<sup>st</sup> Paid subscription for news paper Rs. 90.  
27<sup>th</sup> Stationery purchased Rs. 300.  
30<sup>th</sup> Sundry expenses Rs. 75.

5. From the following ledger balances Ascertain Gross profit.

	Rs.
Stock (1-4-19)	3,60,000
Sales	1,80,000
Sales Returns	40,000
Purchases	1,40,000
Purchase Return	18,000
Wages	18,000
Carriage inwards	5,000
Closing stock (On 31-03-2020)	5,00,000

**SECTION - C**

Answer any **THREE** questions. Each question carries **15** marks: (3×15=45)

6. From the Trial Balance of Mr. Varun prepare the final account for the year ended 31<sup>st</sup> March 2020.

Particulars	Debit (Rs.)	Credit (Rs.)
Drawings and Capital	6,820	93,230
Purchase and Sales	83,290	1,26,177
Debtors and Creditors	47,800	22,680
Returns	7,422	3,172
Wages	9,915	-
Manufacturing expenses	2,500	-



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Stock on 1-4-2019	21,725	-
Factory fuel and power	542	-
Office Salaries	3,745	-
Factory lighting	392	-
Carriage outward	960	-
Plant & Machinery	55,000	-
Furniture	1,720	-
Bills Payable	-	6,422
Travelling expenses	925	-
Cash in hand	2,493	-
Rent & Taxes	1,765	-
Office expenses	2,778	-
Discount allowed	422	-
Insurance	570	-
Carriage Inwards	897	-
<b>Total</b>	<b>2,51,681</b>	<b>2,51,681</b>

**Adjustments :**

- Stock on 31.3.2020. Rs. 16,580.
- Insurance prepaid Rs. 70.
- Wages outstanding Rs. 800 outstanding salaries Rs.350 and Rent outstanding Rs. 150.
- Depreciate Plant and machinery at 5% and furniture at 10%.
- Reserve  $2\frac{1}{2}$  % of debtors for Bad debts.

7. From the following particulars prepare Bank reconciliation Statement as on 31<sup>st</sup> December 2020.

- Bank balance as per bank pass book showed overdraft Rs. 15,600.
- Cheques amounting Rs. 44,000 were deposited into the bank but only Rs. 20,300 has been collected and credited to the account upto 31-12-2020.
- Bank debited Rs. 500 for Sundry charges which was not entered in the cash Book.
- Bank debited Rs. 2,500 as interest on overdraft balance not entered in the cash Book.
- A cheque for Rs. 30,000 received from Anusree is entered twice in cash book on both sides.
- A cheque issued Rs. 14,700 to customers but not presented for payment.
- A cheque for Rs. 60,000 was sent for collection to bank but does not appear on the debit side of the cash Book.

[P.T.O.]



8. Journalise the following Transactions.

- a) Started Business with capital Rs. 1,00,000.
- b) Deposited into Bank Rs. 80,000.
- c) Purchased goods and paid by cheque Rs. 40,000.
- d) Sold goods to Nishanth Rs. 50,000.
- e) Purchased goods from Amar Rs. 1,00,000.
- f) Paid carriage Rs. 20,000.
- g) Received cash from Nishanth Rs. 30,000.
- h) Paid to Amar by cheque Rs. 50,000.

9. From the following transactions prepare Two column cash book:

**2020 January**

1 <sup>st</sup>	Balance in hand	Rs.50,000
5 <sup>th</sup>	Purchased goods from Mahi for cash	Rs. 15,000
7 <sup>th</sup>	Received from Manish Rs. 19,600 after allowing him discount of	Rs. 400
10 <sup>th</sup>	Paid to Vishnu & co. Rs. 5,800 and received discount of	Rs. 200
16 <sup>th</sup>	Purchased goods for cash	Rs. 8,000
20 <sup>th</sup>	Paid to Sonali Rs. 15,200 receiving discount of	Rs. 600
21 <sup>st</sup>	Cash sales	Rs. 20,000
25 <sup>th</sup>	Purchased office Furniture for cash	Rs. 5,000
27 <sup>th</sup>	Paid wages	Rs. 1,000
28 <sup>th</sup>	Paid Rent	Rs. 3,000
30 <sup>th</sup>	Paid to Bharath Rs. 7,600 and received a discount of	Rs. 400