

I Semester B.B.A. Examination, December 2018

(CBCS)

BUSINESS ADMINISTRATION
Fundamentals of Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be only in English.

SECTION – A

Answer **any** of the following **five** questions, correct answer to **each** question carries **two** marks.

(5×2=10)

1. a) Give the meaning of accounting.
- b) Why a revised statement of affairs is prepared ?
- c) What is an accounting standard ?
- d) Give the meaning of a ledger.
- e) What is cash system of accounting ?
- f) Bring out any two differences between single and double entry system.
- g) Why do you prepare bank reconciliation statement ?

SECTION – B

Answer **any** of the following **three** questions, correct answer to **each** question carries **six** marks.

(3×6=18)

2. Briefly explain the limitations of double entry system of accounting.
3. Write a note the concepts of accounting.

P.T.O.



4. Prepare a Trial Balance from the following data for the year ending March 31, 2018.

Particulars	₹
Purchases	88,000
Return outwards	5,000
Sales	1,00,000
Return inwards	10,000
Discount allowed	5,000
Discount received	15,000
Carriage inward	5,000
Carriage outward	5,000
Wages	10,000
Depreciation	10,000
Outstanding expenses	15,000
Prepaid in expenses	2,000

5. Pass journal entries for the following transactions of Miss. Gowthami and write the relevant narration.
- Rent due but not paid ₹ 5,000
 - Insurance not due but paid ₹ 2,000
 - Interest due but not received ₹ 3,000
 - Interest not due but received ₹ 4,000
6. From the following particulars, prepare the Bank Reconciliation Statement of Raman as on 31st March, 2018.
- Balance as per pass book is ₹ 10,000
 - Bank collected a cheque of ₹ 500 on behalf of Raman but wrongly credited to Krishnan account.
 - Bank recorded a cash book deposit of ₹ 1,589 as ₹ 1,598.



- d) Withdrawal column of the passbook under cast by ₹ 100
- e) The credit balance of ₹ 1,500 as on the passbook was recorded in the debit balance.
- f) The payment of a cheque of ₹ 350 was recorded twice in the passbook.
- g) The passbook showed a credit balance for cheque of ₹ 1,000 deposited by Raman.

SECTION – C

Answer **any** of the following **three** questions, correct answer to **each** question carries **fourteen** marks. **(3×14=42)**

7. Prepare Balance Sheet from the following particulars as at 31st March 2018 in vertical format.

	₹
Goodwill	25,000
Patents	50,000
Sundry debtors	25,000
Stock	50,000
Furniture	30,000
Plant and Machinery	50,000
Land and Building	50,000
Investments	20,000
Bills payable	30,000
Sundry creditors	20,000
Outstanding liabilities	50,000
Income received in advance	20,000
Expenses paid in advance	10,000
Income outstanding	30,000
Capital	?



8. Record the following transactions for the month ending August 2018 in double column cash book and balance it.

Date	Particulars	₹
2018 August	1 Cash balance	15,000
	Bank balance	10,000
	3 Paid insurance premium by Cheque	4,200
	8 Cash sales	22,000
	Cash discount	750
	9 Payment for purchases	21,000
	Cash discount	700
	9 Cash deposited in bank	15,000
	10 Telephone bills paid by cheque	2,300
	14 Withdrawn from bank personal use	6,000
	16 Withdrawn from bank for office use	14,500
	20 Received cheque and deposited in bank	10,700
	23 Received cash from a customer	6,850
	24 Allowed discount	150
	25 Stationery purchased for cash	1,800
	Cartage paid in cash	350
	25 Cheques received from a customer	4,500
	28 Cheque deposited in bank	4,500
	31 Cheques deposited on 28 th dishonored	—
	31 Rent paid by cheque	4,000
	31 Paid wages in cash	3,000
	31 Paid cash for postage	220



9. From the following transactions of Mr. Rakesh for the month of April 2017, pass journal entries with narration.

- a) Introduced capital on 1 April ₹ 1,50,000
- b) Purchased goods worth ₹ 25,000 on 5th
- c) Purchased goods worth ₹ 75,000 on credit from Mr. Swamy on 7th
- d) Paid general expenses ₹ 10,000 on 8th
- e) Sold goods worth ₹ 25,000 for ₹ 35,000 cash on 10 April
- f) Sold goods for ₹ 1,00,000 on credit to Miss. Rashmi on 12th
- g) Cash collected from debtors' ₹ 50,000 on 15th
- h) Cash paid to creditors' ₹ 50,000 on 20th
- i) Purchased furniture worth ₹ 30,000 on 25th
- j) Purchased machinery worth ₹ 50,000 on 26th
- k) Borrowed a loan of ₹ 1,00,000 from SBI on 28th
- l) Paid salary and rent ₹ 5,000 and ₹ 10,000 respectively.

10. Mr. Bhaskara is a proprietor of a business enterprise, provides you the following Trial Balance and requests you to prepare Final Accounts of his enterprise in vertical form.

Particulars	Debit (₹)	Credit (₹)
Opening stock	25,000	—
Purchases	1,25,000	—
Freight	15,000	—
Wages	35,000	—
Power	25,000	—
Salary	45,000	—
Rent and rates	15,000	—
General expenses	25,000	—
Selling expenses	5,000	—



Advertising expenses	15,000	—
Audit fees	25,000	—
Insurance	15,000	—
Discount	5,000	20,000
Debtors	55,000	—
Bills receivable	5,000	—
Furniture	25,000	—
Plant and machinery	65,000	—
Investments	35,000	—
Land and building	75,000	—
Sales	—	3,00,000
Returns	15,000	20,000
Commission received	—	10,000
Interest on investments	—	10,000
Sundry creditors	—	70,000
Bills payable	—	30,000
Bank overdraft	—	50,000
Capital	—	1,40,000
	6,50,000	6,50,000

Additional information :

- Depreciate fixed assets by 10%.
- Provide for bad and doubtful debts by 5% on debtors.
- Salary outstanding during the year is ₹ 5,000.
- Insurance paid in advance is ₹ 5,000.
- Closing stock is valued at ₹ 35,000.



11. From the following information of Mr. Karthik, prepare a statement of Profit and Loss and a revised statement of affairs.

Particulars	1 April, 2017 (₹)	31 March, 2018 (₹)
Cash at bank	25,000	30,000
Bills receivable	15,000	20,000
Sundry debtors	35,000	45,000
Stock	20,000	25,000
Expenses paid in advance	5,000	15,000
Investments	45,000	45,000
Fixtures and furniture	15,000	15,000
Plant and Machinery	55,000	55,000
Land and Building	1,00,000	1,20,000
Sundry creditors	50,000	60,000
Bills payable	15,000	20,000
Bank overdraft	30,000	35,000

Additional information :

Mr. Karthik introduced an additional capital of ₹ 25,000 on October 1, 2017 and withdrew ₹ 15,000 for his personal use. Additional capital is subject to interest @ 6% p.a. and drawings are subject to interest @ 8% p.a.