



SN - 525
17 WCC 26003

I Semester B.B.A. Examination, November/December 2017
(CBCS) (F+R)
(2014 - 15 & 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 is Business Entity Concept ?
- b) State any two functions of accounting.
- c) What do you mean by Narration ?
- d) Mention any four Subsidiary Books.
- e) What is trade discount ?
- f) Give the meaning of Passbook.
- g) What is error of omission ?

SECTION - B

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

(3×6=18)

2. Briefly explain the accounting process/cycle.
3. Write a brief note on the following :
 - a) Bank Reconciliation Statement.
 - b) Revised Statement of affairs.
 - c) Single Entry System.
4. From the following information write up a purchase return book of Ms. Soundrya. 2017
 - Feb. 1st Purchased 5 pieces of TV Rs. 15,000 each.
 - Feb. 5th Sam Electronics returned 2 piece color TV Rs. 10,000 each.
 - Feb. 12 Return to Bush Television Co. Ltd., 4 color TV Rs. 7,000 each.
 - Feb. 13 Returned to Philips (India) Ltd., 2 pieces of I-POD @ Rs. 3,000 each.
 - Feb. 14 Returned to Bajaj Electrical Ltd., 2 pieces of electronic heater @ Rs. 300 each.
 - Feb. 16 Returned to Sonny Company Ltd. 3 pieces of DVD @ Rs. 20,000 each.

P.T.O.



5. Prepare Trial Balance in the books of Mr. Ashok from the following ledger balances :

	Rs.		Rs.
Capital	?	Debtors	20,000
Creditors	50,000	Sales	2,00,000
Purchases	2,50,000	Outstanding expenses	15,000
Establishment expenses	12,000	Prepaid expenses	5,000
Building	2,00,000	Closing stock	60,000

6. Briefly explain any four advantages and disadvantages of accounting.

SECTION - C

Answer any three questions. Each question carries 14 marks. (3×14=42)

7. Journalise the following transactions in the books of Mr. Rakesh

March 2017

- 1st Commenced business with a cash of Rs. 6,00,000.
 2nd Bought goods for cash Rs. 24,000.
 4th Purchased goods from Dhanush for Rs. 40,000.
 8th Sold goods to Prakash Rs. 10,400.
 10th Received from Prakash on account Rs. 4,800.
 12th Sold goods Rs. 5,200 to Ram for cash.
 15th Paid to Dhanush on account Rs. 12,000.
 19th Withdrew cash for personal use Rs. 500.
 22nd Paid to Dhanush on account Rs. 16,000.
 27th Brought in further capital Rs. 10,000.
 28th Rent Rs. 520, General expenses Rs. 250 and Salary Rs. 1,200 paid.

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

2017

- May 1 Received a cheque towards Petty cash Rs. 650
 May 5 Bought postage stamps Rs. 25
 May 7 Paid carriage on goods Rs. 30
 May 8 Wages paid Rs. 50
 May 9 Revenue from Mr. Amar Rs. 100



- May 13 Revenue stamp purchased Rs. 10
May 18 Stationery purchased Rs. 40
May 22 Refreshment to customers Rs. 80
May 23 Paid taxi fare Rs. 60
May 25 Paid lunch expenses Rs. 20
May 26 Oil for lamp purchased Rs. 90
May 28 Sent annual subscription to newspaper Rs. 60
May 30 Telegram expenses Rs. 10

9. From the following Trial Balance of Mr. Amar as on 31-3-2017 prepare Final A/cs.

Name of Accounts	Debit	Credit
	₹	₹
Opening Stock	25,000	—
Bills receivable and Payable	5,000	6,000
Returns	2,500	3,500
Wages	9,600	—
Purchases	1,03,500	—
Sales	—	1,62,500
Salaries	11,000	—
Rent	3,500	—
Electricity expenses	1,500	—
Insurance	1,300	—
Machinery	30,000	—
Furniture	5,000	—
Debtors and Creditors	16,200	12,000
Cash in hand	9,900	—
Capital Accounts	—	50,000
Drawings	10,000	—
	2,34,000	2,34,000

Adjustments :

- Outstanding expenses : Wages Rs. 400, Salaries Rs. 1,000 and Rent Rs. 500.
- Unexpired insurance Rs. 300
- Write off Rs. 200 as bad debts and make a provisions for doubtful debts at 5 % on debtors.
- Depreciate machinery at 5 % and furniture at 10 %
- Closing stock on 31-3-2017 Rs. 18,000.



10. Mr. Kiran had kept books of accounts under Single Entry System, supplied the following information to you :

Particulars	1-4-2016	31-3-2017
Cash	8,000	20,000
Bills receivable	2,000	–
Debtors	38,000	50,000
Stock	44,000	38,000
Creditors	28,000	32,000
Bills payable	–	4,000
Investment	–	6,000
Furniture	10,000	10,000
Plant and Machinery	40,000	40,000
Land and Building	50,000	50,000

During the year he withdrew Rs. 8,000 for personal use. On 1-7-2016 he introduced further capital of Rs. 20,000.

Additional Information :

- Depreciate furniture, Plant and Machinery by 10 % p.a.
- Create R.D.D. @ 8 % on Debtors
- Appreciate Land and Building by 20 % p.a.
- Allow interest on capital 10 % p.a.
- Outstanding interest on capital at 10 % p.a.

Prepare statement of profit and loss and revised statement of affairs as on 31-3-2017.

11. From the following information prepare Debtors A/c, Creditors A/c, Bills Receivable A/c and Bills Payable A/c.

Debtors on 1-4-2016	22,125	Payment to creditors	46,670
Creditors on 1-4-2016	13,455	Discount by creditors	645
B/R on 1-4-2016	8,000	Returns outwards	780
B/P on 1-4-2016	2,500	B/R accepted	9,600
Credit Sales	1,03,155	Cash received against B/R	15,000
Credit purchases	56,215	Cash paid against B/P	7,000
Cash received from debtors	86,125	Discount allowed	870
Bad debts	12,575	Returns from debtors	1,725