



GN-363

103654

I Semester B.B.A. Examination, December - 2019

(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** sub-questions. Each question carries **2** marks.

5x2=10

1. (a) State any two objectives of accounting.
(b) What is GAAP ?
(c) What is a Trial Balance ?
(d) What is Accounting Standard ?
(e) What is endorsement of a bill ?
(f) What is a statement of affairs ?
(g) What is Depreciation ?

SECTION - B

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

3x6=18

2. Briefly explain the functions of accounting.
3. Write a brief note on :
 - (a) Sales Book
 - (b) Purchases Book
4. Briefly explain the Accounting Cycle.
5. The Cash Book of Evergreen showed a balance of ₹ 31,600 at the Bank. From the following particulars ascertain the balance as per Pass Book by preparing Bank Reconciliation Statement.
 - (a) Cheques paid into Bank, but not credited in the Passbook ₹ 1,860.
 - (b) Cheques issued but not yet presented for payment ₹ 1,520
 - (c) Bank charges debited in the Passbook, not yet entered in the Cash Book ₹ 200
 - (d) Interest on investments collected by Bank not yet entered in the Cash Book ₹ 600
 - (e) Interest allowed by Bank, not yet entered in the Cash Book ₹ 400

P.T.O.



6. Enter the following transactions in a Analytical Petty Cash Book on the imprest system.

2019

- April 1st : Received a cheque for ₹ 2,500 towards petty expenses
 April 2nd : Spent for postage ₹ 35
 April 3rd : Paid for office cleaning ₹ 150
 April 5th : Paid travelling expenses to Manager ₹ 325
 April 7th : Paid for cartage ₹ 125
 April 15th : Paid wages ₹ 500
 April 20th : Paid to Sudharshan & Co. ₹ 225

SECTION - C

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

3x14=42

7. Enter the following transactions in Personal accounts and Bank account

2019

- July 1st : Maruthy started business with ₹ 25,000 and goods worth ₹ 10,000
 July 5th : Sold goods for cash ₹ 4,000
 July 6th : Purchased goods from Kumar ₹ 12,500
 July 8th : Paid into Bank ₹ 3,500
 July 10th : Used cash for domestic use ₹ 1,200
 July 12th : Sold goods to Goutham ₹ 8,500
 July 15th : Received a cheque from Goutham for ₹ 8,300 in full settlement
 July 18th : The above cheque deposited into Bank
 July 20th : Purchased furniture from Ramlal & Co. ₹ 14,500
 July 25th : Paid for postage ₹ 150, Sundry expenses ₹ 450
 July 28th : Commission received ₹ 250
 July 30th : Withdrew goods for personal use ₹ 750



8. From the following Trial Balance extracted from the books of Mr. Narayan Rane, prepare Trading and P & L A/c for the year ending 31st March 2019 and Balance Sheet as on that date.

Particulars	Debit ₹	Credit ₹
Capital	-	81,000
Drawings	10,000	-
Plant & Machinery	60,000	-
Debtors	40,000	-
Creditors	-	45,000
Purchases & Sales	80,000	1,40,000
Returns	4,000	5,000
Wages	15,000	-
Cash in hand	1,000	-
Cash at Bank	6,000	-
Salaries	10,000	-
Repairs	4,000	-
Rent	4,500	-
Stock	20,000	-
Manufacturing expenses	5,000	-
Bills	10,000	-
Bad Debts	1,000	-
Provision for bad debts	-	1,500
Carriage	2,000	-
	2,72,500	2,72,500

Adjustments :

- Rent paid in advance ₹ 500
- Depreciate Plant & Machinery at 10% p.a.
- Allow interest on capital at 5% p.a.
- Closing stock was ₹ 30,000



9. Enter the following transactions in a Cash Book with Discount, Cash & Bank columns.

2019

- April 1st Cash at office ₹ 4,500 and Bank Overdraft ₹ 1,250
April 2nd Purchased goods for ₹ 5,000 and paid by cheque less 10% discount
April 5th Settled Charan account of ₹ 4,500 by cheque for ₹ 4,325
April 6th Kumar settled his account of ₹ 7,500 by cheque. This is Banked immediately.
April 8th Received from Sudheer acrossed cheque for ₹ 12,875 in settelement of his account ₹ 13,050
April 10th Sold furniture for ₹ 750
April 12th Cash Sales ₹ 4,000 of which ₹ 3,200 was Banked
April 15th Cashed a Cheque ₹ 1,250
April 18th Bank charges as per Passbook ₹ 150
April 20th Paid by Salaries ₹ 2,200 Rent ₹ 1,500
April 25th Withdrew from Bank for office use ₹ 2,000 and for personal use ₹ 1,500

10. Enter the following transactions in proper subsidiary books and post them into the ledger and balance the accounts.

2019

- May 1st : Bought from Srinivas ₹ 15,000
May 3rd : Sold to Rajesh & Co. ₹ 10,000
May 5th : Purchased from M/s Madanlal & Co. ₹ 6,000
May 8th : Sold to Naresh less 2% ₹ 15,000
May 10th : Allowed Naresh for damaged goods ₹ 150
May 12th : Purchased from Jairaj less 4% ₹ 8,500
May 15th : Claimed allowance from Jairaj for shortage ₹ 50
May 18th : Sold goods to Pranesh ₹ 20,500
May 20th : Sent credit note to Pranesh ₹ 200
May 22nd : Purchased from Satish & Co. ₹ 10,000
May 25th : Sold to Ameer goods worth ₹ 15,500
May 28th : Ameer returned goods ₹ 300



11. Mr. Suraj Rao is a small trader maintaining his books of accounts by Single Entry. He gives the following list of ledger balances on the opening and closing dates of the accounting year 2019.

	01.01.2019 (₹)	31.12.2019 (₹)
Buildings	25,000	25,000
Machinery	12,000	15,000
Furniture	6,000	8,000
Debtors	10,000	8,000
Stock	5,000	7,000
Bank	1,500	6,500
Creditors	22,000	14,000
Capital	37,500	-

- His additional capital investments in the year ₹ 6,000 in cash and ₹ 2,000 in the form of furniture brought into the business on 01.01.2019
- On 01.01.2019 he has bought a New Machinery Costing ₹ 3,000
- He has transferred from his bank account of the business ₹ 1,000 per month to his personal bank account and has used goods worth ₹ 1,500 for household requirement
- Depreciate Machinery by 15% p.a. and Furniture by 10% and provide for Rent due ₹ 2,000

Prepare the statement showing P & L A/c for the year 2019 and a Revised statement of affairs as on 31.12.2019.

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