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**First Semester B.B.A. Degree Examination,  
November/December 2019**

*(CBCS Scheme – 2018-19 Onwards)*

**Business Administration**

**Paper 1.3 – FUNDAMENTALS OF ACCOUNTING**

Time : 3 Hours]

[Max. Marks : 70

Instructions to Candidates : Answers should be written in English only.

SECTION – A

Answer any **FIVE** sub-questions from the following. Each question carries **2** marks : **(5 × 2 = 10)**

1. (a) Write any two features of accounting.
- (b) What is dual aspect concept of accounting?
- (c) Expand GAAP, ASB.
- (d) What is journalizing?
- (e) What is trial balance?
- (f) Name any four current assets.
- (g) How do you treat outstanding rent in final accounts?



SECTION – B

Answer any **THREE** of the following. Each question carries **6** marks : **(3 × 6 = 18)**

2. Briefly explain the types of accounts and the corresponding rules of double entry system.
3. Write short notes on :
  - (a) Accounting concepts
  - (b) Imprest system
  - (c) Accounting cycle.

4. Prepare Mr. Lal Mohar's personal account from the following transactions :  
2019

Sept 1	Credit balance of Mr. Lal Mohar Rs. 30,000
3	Purchased goods from him on credit Rs. 20,000
8	Returned goods to him Rs. 2,000
12	Sold goods to him Rs. 18,000
20	He returned back goods Rs. 500

5. From the following particulars of Mr. Vinod prepare Bank Reconciliation Statement as on 30<sup>th</sup> June 2018 :

- Bank balance as per cash books Rs. 1,60,000
- Out of cheques issued, a cheque for Rs. 80,000 was presented for payment after 30<sup>th</sup> June 2018
- There was a wrong credit in the pass book Rs. 50,000
- Bank charges debited in pass book Rs. 300
- Out of cheques deposited, a cheque for Rs. 50,000 was collected after 30<sup>th</sup> June 2018
- Payment received from a customer directly by the bank Rs. 2,000
- Bills discounted dishonoured Rs. 8,000.

6. Prepare a trial balance from the following data for the year ending 31<sup>st</sup> March 2019 :

Particulars	Amount (Rs.)
Lal's capital	6,00,000
Creditors	2,00,000
Building	2,70,000
Debtors	2,00,000
Sales	7,00,000
Carriage inward	50,000
Purchases	6,20,000
Cash	3,60,000
Depreciation	40,000
Outstanding wages	30,000
Investment	1,50,000
General reserve	1,60,000



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SECTION - C

Answer any **THREE** of the following. Each question carries **14** marks :

(3 × 14 = 42)

7. Journalize the following transaction in the books of Mr. Mahendra :  
2018

- Feb 01 Commenced business with cash Rs. 60,000, goods Rs. 90,000, debtors worth Rs. 50,000 and creditors Rs. 50,000
- 04 Bought goods from Surendra Rs. 50,000 at a trade discount of 10%
- 05 Cash received from Lakshman Rs. 19,000 and allowed him a discount of Rs. 1,000
- 06 Opened a bank account in SBI and deposited Rs. 10,000 therein
- 10 Purchased office equipment for cash Rs. 20,000
- 12 Surendra directly deposited into bank account Rs. 30,000
- 18 Paid to Sagar Rs. 29,500 and received a discount of Rs. 500
- 22 Drew goods for personal use of Rs. 4,000
- 24 Sold goods to Bharath Rs. 30,000 at a trade discount of 8%
- 26 Paid flight charges of Rs. 10,000 to the sales manager
- 28 Paid fire insurance premium by cheque Rs. 5,000
- 29 Received commission for Rs. 8,000 from Yuvaraj

8. From the following balances of M/s. Chetan Traders, you are required to prepare final accounts for the year ended 31<sup>st</sup> March 2019, in vertical form :

Particulars	Debit	Credit
	Rs.	Rs.
Capital		6,00,000
Drawings	40,000	
Purchases and sales	3,50,000	7,40,000
Returns	20,000	15,000
Carriage inward	5,000	
Rent	18,000	
Debtors and creditors	2,00,000	1,50,000
Land and building	2,00,000	
Stock on 1.04.2018	90,000	
Wages	50,000	

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Particulars	Debit	Credit
	Rs.	Rs.
Discount	5,000	
Commission	2,000	3,000
Printing and stationery	3,000	
Salaries	25,000	
Loan		40,000
Plant and machinery	3,00,000	
Furniture	1,00,000	
Bad debts	10,000	
Bills receivable and bills payable	1,00,000	60,000
Provision for bad debts		5,000
Cash in hand	35,000	
Cash at bank	67,000	
Interest		7,000
	16,20,000	16,20,000

Additional information :

- Stock on 31.3.2019 Rs. 1,50,000
  - Prepaid rent Rs. 3,000
  - Salary outstanding Rs. 5,000
  - Depreciate plant and machinery at 10% and furniture by 5% p.a.
  - Provide provision for bad debts on debtors @ 5%.
9. Mr. Nandal has not kept records as per double entry system. From the following information furnished by him prepare a statement of profit or loss and also prepare revised statement of affairs as on 31.12.2018.

Particulars	01.01.2018	31.12.2018
	Rs.	Rs.
Cash in hand	1,00,000	3,60,000
Debtors	2,00,000	8,00,000
Creditors	1,00,000	4,60,000
Bills receivable	2,00,000	2,40,000

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Particulars	01.01.2018	31.12.2018
	Rs.	Rs.
Bills payable	40,000	4,20,000
Car (01.07.2018)	-	8,00,000
Stock	4,00,000	3,00,000
Furniture	80,000	4,80,000
Investment	4,00,000	5,00,000
Bank balance	10,00,000	9,00,000



Adjustments :

Mr. Nandal withdrew cash Rs. 10,000 p.m. for his private use. He had introduced Rs. 3,00,000 as additional capital during the year. Outstanding rent Rs. 60,000. Depreciation at 5% p.a. on car and furniture at 10% p.a. addition to furniture was done on 01.07.2018.

10. Enter the following transactions in proper subsidiary books for the month of May 2018 in the books of Shrestha Trading Concern :

- May 1 Purchased 100 units from Chaitra Department Stores at Rs. 2,500 per unit
- 2 Sold 40 units to Vaishak at Rs. 190 per unit
- 6 Bought goods of Rs. 10,000 from Jeshta Traders at 20% discount
- 11 Returned 10 defective units to Chaitra Departmental Stores
- 14 Sold to Shravana stores Rs. 5,000 on credit at 10% discount
- 15 Placed an order with Karthik for 75 units @ Rs. 50 per unit
- 16 Karthik accepted the order and supplied the goods
- 18 Vaishak returned 5 damaged units
- 20 Sold 20 units for Rs. 15,000 to Pushyami on account at 10% trade discount
- 22 Purchased goods from Bhadrupadha traders Rs. 9,000
- 25 Sold to Phalguna and Co. Rs. 7,000 on account
- 27 Pushyami returned 4 defective units
- 28 Sold to Maagha suppliers Rs. 4,000 on account
- 30 Sent a debit note to Bhadrupadha Traders for over charge of Rs. 1,500

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11. From the following information ascertain 'total sales' and 'total purchase'.

Balance on :	1.4.2018 (Rs.)	31.3.2019 (Rs.)
Sundry debtors	65,000	72,000
Bills receivable	37,000	30,000
Sundry creditors	48,000	50,000
Bills payable	24,000	21,000

Transactions for the year 2018-19 :

Particulars	Amount (Rs.)
Cash sales	38,750
Cash received from debtors	1,62,500
Discount allowed to customers	4,500
Return inwards	12,000
Return outwards	2,500
Cash received against bills receivable	58,000
Cash paid against bills payable	40,000
Cash purchases	25,000
Cash paid to creditors	1,07,500
Bad debts written off	5,000

