

64121

First Semester B.B.A. Degree Examination, August/September 2021

(CBCS – Freshers and Repeaters)

Business Administration

Paper 1.3 – FUNDAMENTALS OF ACCOUNTING

Time : 3 Hours]

[Max. Marks : 70

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

SECTION – A

- I. Answer any **FIVE** sub-questions. Each question carries **2** marks : **(5 × 2 = 10)**
1. (a) What do you mean by accounting concept?
 - (b) State any two functions of Accounting.
 - (c) What do you mean by balancing of an account?
 - (d) Give the meaning of credit note.
 - (e) What is Bank Reconciliation Statement?
 - (f) What is Trading Account?
 - (g) Mention any two demerits of Single entry system.

SECTION – B

- II. Answer any **THREE** questions. Each question carries **6** marks : **(3 × 6 = 18)**
2. What are the objectives of accounting?
Accounting
 3. Explain the Debit and Credit rules of different types of accounts.

4. Prepare Statement of Affairs from the following information under Single Entry :

Particulars	1.4.2019	31.3.2020
	₹	₹
Stock	80,000	95,000
Debtors	1,50,000	1,30,000
Cash	5,000	8,000
Prepaid expenses	3,000	1,000
Outstanding expenses	4,000	6,000
Creditors	42,000	37,000
Machinery	10,000	15,000
Furniture	1,000	1,000

5. Prepare a Balance Sheet from the following :

Sl.No.	Particulars	Amount
		₹
1	Capital	?
2	Furniture	8,000
3	Computers	12,000
4	Cash	6,000
5	Bills Receivable	4,000
6	Bills payable	5,000
7	Reserves and Surplus	3,000
8	Overdraft	5,700
9	Creditors	2,200
10	Mortgage loan	5,600
11	Outstanding expenses	1,200
12	Outstanding income	1,500
13	Prepaid expenses	2,200

6. Following is the Trial balance as on 31.3.2020, prepared by an incompetent Accountant, you are required to rewrite it in its correct form :

Sl.No.	Particulars	LF	Debit ₹	Credit ₹
1	Capital		24,000	-
2	Opening Stock		8,500	-
3	Furniture		2,600	-
4	Purchases		-	8,950
5	Cash at Bank		7,300	-
6	Carriage		300	-
7	Sales		-	22,500
8	Buildings		12,000	-
9	Return inwards		-	1,900
10	Trade expenses		1,000	-
11	Return outwards		350	-
12	Discount received		970	-
13	Office rent		-	2,270
14	Salary		3,000	-
			<u>60,020</u>	<u>35,620</u>

SECTION - C

- III. Answer any **THREE** questions. Each question carries **14** marks : (3 × 14 = 42)

7. Prepare a Three Columnar Cash Book from the following transactions :

2020

- Nov 1 Balance of cash in hand ₹ 20,000 and cash at bank ₹ 10,000
 Nov 4 Bought furniture for ₹ 2,000 and issued a cheque
 Nov 6 Deposited into Bank ₹ 6,000
 Nov 8 Bought goods for cash ₹ 2,500
 Nov 10 Paid Viswas ₹ 900 in full settlement of ₹ 1,000
 Nov 14 Received ₹ 1,250 from Thilak and allowed him a discount ₹ 40
 Nov 15 Send a Demand Draft to Suman for ₹ 1,750
 Nov 18 Withdrawn for office use ₹ 1,000
 Nov 20 Paid LIC premium ₹ 360
 Nov 22 Withdraw ₹ 1,200 by cheque for personal use

47500
47170

8. From the Trial Balance and other particulars given below, you are required to prepare Final Accounts for the year ending 31.3.2020 of Mr. Koushik :

Sl.No.	Name of the Account	LF	Debit ₹	Credit ₹
1	Drawings and Koushik Capital		6,820	93,230
2	Purchase and Sales		83,290	1,26,177
3	Debtors and Creditors		47,800	22,680
4	Returns		7,422	3,172
5	Wages		9,915	-
6	Manufacturing expenses		2,500	-
7	Opening Stock		21,725	-
8	Factory fuel and power		542	-
9	Office Salaries		3,745	-
10	Factory Lighting		392	-
11	Carriage outward		960	-
12	Plant and machinery		55,000	-
13	Furniture		1,720	-
14	Bills payable		-	6,422
15	Travelling expenses		925	-
16	Cash in hand		68	-
17	Cash at Bank		2,425	-
18	Rent and Taxes		1,765	-
19	Office expenses		2,778	-
20	Discount allowed		422	-
21	Insurance		570	-
22	Carriage inwards		897	-
			<u>2,51,681</u>	<u>2,51,681</u>

Adjustments :

- Closing stock ₹ 16,580.
- Insurance pre paid ₹ 70.
- Wages outstanding ₹ 800, outstanding salaries ₹ 350.
- Depreciate plant and machinery by 5%.

9. From the following information, find out credit sales and credit purchases of Mr. Sathish, who keeps book under single entry system :

(a) Analysis of cash book reveals the following :

	₹
Payment to creditors	1,05,550
Received from Debtors	52,050
Cash Sales	65,460
Bills payable	16,000
Bills Receivable	15,000

Note : Discount allowed ₹ 550 and discount earned ₹ 350

(b) Other information :

	1.1.2020	31.12.2020
	₹	₹
Sundry Creditors	4,570	25,640
Sundry Debtors	20,000	15,620
Bills Receivable	25,400	30,450
Bills Payable	22,470	13,240

10. From the following particulars prepare a Bank Reconciliation Statement, showing the Bank Overdraft as per pass book on 31st March 2020.

- (a) Bank overdraft as per cash book ₹ 5,000.
- (b) Cheques received entered twice ₹ 2,000.
- (c) Bills discounted but dishonoured ₹ 2,000.
- (d) Bills directly collected by the Bank ₹ 1,000.
- (e) Cheques issued for ₹ 3,000 but cheque of ₹ 500 returned back due to technical problems.
- (f) As per the standing instructions bank directly paid insurance premium ₹ 400.
- (g) Cheque received from customers for ₹ 4,000 of which cheque of ₹ 1,000 not sent to Bank.
- (h) Cheques received returned by the Bank but no entry passed in cash book ₹ 200.
- (i) Bank charges entered in the cash book twice ₹ 25.

11. Journalise the following transactions in the books of Anand :

2020

- July 1 Commenced business with cash ₹ 1,00,000, Plant and Machinery ₹ 50,000, Furniture ₹ 25,000
- July 5 Purchased furniture ₹ 25,000
- July 6 Bought goods for cash ₹ 50,000
- July 8 Purchased goods from Himesh ₹ 26,000
- July 10 Sold goods to Harish on credit ₹ 42,000
- July 15 Received ₹ 26,000 from Prakash on Account
- July 18 Sold goods for cash ₹ 3,500 to Rakesh
- July 21 Paid to Himesh on Account ₹ 12,500
- July 22 Withdrew cash for personal use ₹ 5,000
- July 25 Paid to Nagesh by cheque ₹ 15,000
- July 28 Introduced further capital ₹ 50,000
- July 29 Rent paid ₹ 11,000
- July 30 Interest on Investment received ₹ 5,000