

I Semester B.B.A. Examination, November/December 2018
(F + R) (Semester Scheme)
(CBCS) (2014 – 15 & Onwards)
BUSINESS ADMINISTRATION
Paper – 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 **two** marks. **(5×2=10)**

1. a) State any two limitations of accounting.
- b) Give the meaning of credit note.
- c) Mention any four subsidiary books.
- d) Define Accounting.
- e) What is Trading Account ?
- f) How do you treat goods withdrawn by the proprietor for personal use under single entry system ?
- g) What is Bank reconciliation statement ?

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. **(3×6=18)**

2. Briefly explain any three advantages and disadvantages of accounting.
3. Write a brief note on the following.
 - a) Statement of affairs.
 - b) Statement of profit or loss.
 - c) Revised statement of affairs.
4. Explain any six accounting concepts.
5. From the following particulars prepare bank reconciliation statement as on 31st March 2018.
 - a) Bank Balance as per pass book on 31-3-2018 Rs. 12,000.
 - b) Cheque issued but not presented for payment Rs. 1,000.
 - c) Bank charges debited Rs. 500.
 - d) Cheque of Rs. 6,000 deposited to bank but not credited in the pass book.
 - e) Cheque of Rs. 300 was recorded as deposit in cash book instead of recording it as payment.
 - f) The receipt column of the cash book has been over costing Rs. 500.
 - g) A cheque drawn for Rs. 50 has been incorrectly entered in the cash book as Rs. 500.



6. Prepare three columnar cash book from the following transactions.

2018

- January 1st Cash in hand Rs. 22,000 and cash at bank Rs. 9000.
 4th Bought Furniture for Rs. 2,000 and issued a cheque.
 6th Deposited into a bank Rs. 6,000.
 8th Bought goods for cash Rs. 2,800.
 10th Paid to Vinay Rs. 850 in full settlement of Rs. 900.
 14th Received Rs. 1,250 from Rakesh and allowed him a discount of Rs. 50.
 18th Paid Rs. 1,750 to Sathish by cheque.
 20th Paid LIC premium Rs. 350.
 25th Withdrawn Rs. 800 by cheque for personal use.

SECTION – C

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

(3×14=42)

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

2018

- Aug. 1st He commenced business with cash Rs. 2,50,000.
 5th Opened a bank account in SBI and deposited Rs. 60,000.
 8th Purchased Goods from Raghu on credit Rs. 35,000.
 12th Sold goods to Mr. Kishore on credit Rs. 30,000.
 14th Withdrew from bank for office use Rs. 8,000.
 18th Purchased goods for cash Rs. 32,000.
 22nd Sold goods for cash Rs. 28,000.
 24th Cash paid to Raghu on account Rs. 18,000.
 26th Cheque received from Kishore Rs. 24,000.
 28th Bought Furniture from M/S Lakshmi Furniture on credit Rs. 20,000.
 29th Received commission Rs. 5,000.
 30th Cash withdrawn from business for personal use Rs. 4,000.
 31st Paid salaries Rs. 5,000 and rent paid Rs. 12,000.

8. The following Trial balance was extracted from the books of Mr. Prasad as on 31st March 2018.

Particulars	Debit (₹)	Credit (₹)
Capital accounts	—	2,30,000
Plant and Machinery	60,000	—
Furniture	30,000	—
Buildings	70,000	—
Sales	—	2,54,000
Purchases	1,60,000	—



Returns	2,000	2,500
Stock on 1 April 2017	60,000	—
Discount	850	1,650
Debtors and Creditors	90,000	50,000
Salaries	15,100	—
Wages	16,000	—
Freight	4,000	—
Carriage outwards	2,400	—
Rent	14,000	—
Advertising	6,000	—
Cash in hand	17,800	—
B/R and B/P	25,000	35,000
	5,73,150	5,73,150

Prepare final accounts for the year ended 31st March 2018 after taking into the following adjustments.

- Closing Stock was valued at Rs. 95,000.
- Allow interest on capital at 5% PA.
- Depreciate Furniture and Machinery at 10% PA each.
- Outstanding salary Rs. 2,500 and prepaid rent Rs. 3,000.

9. From the following particulars prepare petty cash book on imprest of Ramkumar meals for the month of January 2018.

2018

Jan	1 st	Amount received from chief cashier for petty expenses Rs. 4,000.
	2 nd	Office cleaning expenses Rs. 120.
	4 th	Printing charges Rs. 100.
	6 th	Purchased stationery Rs. 300.
	8 th	Repairs to the office typewriter Rs. 110.
	10 th	Carriage expenses Rs. 40.
	12 th	Travelling expenses Rs. 250.
	14 th	Coollie expenses paid Rs. 80.
	16 th	Postage expenses Rs. 170.
	18 th	Water supply charges Rs. 180.
	20 th	Telegram expenses Rs. 150.
	22 nd	Stationery purchased Rs. 270.
	24 th	Train fare to salesman Rs. 200.
	26 th	Electricity charges Rs. 200.
	29 th	Charity paid Rs. 200.
	31 st	Paid to Ganesh Rs. 200.



10. Mr. Ramesh keeps his books under single entry system. He gives you the following information.

Particulars	1.4.2017 (₹)	31.3.2018 (₹)
Cash in hand	16,000	32,000
Bills receivable	18,000	24,000
Debtors	38,000	64,000
Stock	45,000	56,000
Creditors	32,000	45,000
Bills payable	12,000	18,000
Furniture	30,000	30,000
Machinery	40,000	40,000
Buildings	80,000	80,000
Motor van (on 30 June 2017)	–	40,000

During the year he withdrew Rs. 24,000 for his personal use and introduced further capital of Rs. 40,000 on 1 October 2017.

Adjustments :

- Write off bad debts Rs. 4,000 and provide further RBD at 5% on debtors.
- Depreciate Furniture and Machinery at 10% PA and on motor van at 15% PA.
- Appreciate building by 20% PA.
- Allow interest on capital at 10% PA.
- Commission due but not received Rs. 3,000.

Prepare statement of Profit and Loss and revised statement of affairs as on 31-3-18.

11. From the following information find out credit sales and credit purchases of Mr. Karthik, who keeps his books under single entry system.

Balances	1.4.2017 (₹)	31.3.2018 (₹)
Sundry Debtors	36,000	42,000
Sundry Creditors	28,000	32,000
Bills receivable	24,000	26,000
Bills payable	16,000	22,000

Transactions for the year 2017 – 2018

Cash received from debtors Rs. 1,56,000.

Payments to creditors Rs. 98,000.

Cash received against bills receivable Rs. 56,000.

Cash paid against bills payable Rs. 28,000.

Bad debts written off Rs. 8,000.

Sales returns Rs. 16,000.

Purchase returns Rs. 9,000.

Discount allowed Rs. 4,000.

Discount received Rs. 5,000

Cash sales Rs. 75,450.