

E 2566

(Pages : 6)

Reg. No.....

Name.....

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2015

First Semester

Core Course—BUSINESS ACCOUNTING

(2013 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer all questions.
Each question carries 1 mark.*

1. Define Accounting.
2. What is Transaction ?
3. Give the rule of Journalize the Transaction of Real Account.
4. What do you mean by GAAP ?
5. What do you mean by open entry ?
6. What is a Journal ?
7. What is Depreciation ?
8. What is bill of exchange ?
9. What is a cash book ?
10. What is a promissory note ?

(10 × 1 = 10)

Part B

*Answer any eight questions.
Each question carries 2 marks.*

11. What are the objectives of accounting ?
12. Name the uses of accounting records of an organization.
13. What are the functions of accounting ?
14. What are the different types of accounts ? Give examples.
15. What is double entry system of book-keeping ?
16. What do you mean by assets ? Give examples.

Turn over

17. What are the different types of liabilities ? Give examples.
18. Give the ruling of a Journal.
19. What is a ledger ?
20. Give the format of a ledger account.
21. What is a trial balance ? What are the objectives of preparing a trial balance ?
22. What is the importance of bill of exchange ?

(8 × 2 = 16)

Part C

Answer any **six** questions.
Each question carries 4 marks.

23. Explain the accounting concepts and conventions.
24. Briefly explain the limitations of business accounting.
25. Distinguish between single entry and double entry system of book-keeping.
26. Write short notes on Written Down Value Method of Depreciation.
27. Write short notes on Generating Accounting Reports.
28. What is Depreciation? Explain the methods of providing depreciation.
29. Penpol Co. purchased a machinery on 1st April, 2008 for Rs. 8,40,000 and Rs. 60,000 on installation of the machinery immediately. Life of the machine is estimated as four years and at the end of which its scrap value is expected to be Rs. 1,00,000. The company has decided to depreciate the machinery under Straight Line Method. The company closes its books of accounts on 31st March every year.

Show Machinery a/c. for the four years.

30. Mr. Ganapathi Patil's Cash Book showed a balance of Rs. 7,600 on 31-3-2014. From the following discrepancies prepare Bank Reconciliation Statement and find out the balance as per Pass Book on 31-3-2014 :

- (1) Interest on fixed deposit Rs. 600 was credited by bank on 27-3-2014. The bank advice was received on 8-4-2014.
- (2) Cash Withdrawal of Rs. 1,500 on 30-3-2014 was not recorded in Pass Book.
- (3) Out of 3 cheques amounting in all to Rs. 12,000 deposited on 28-3-2014. The bank had given credit for only two cheques amounting in all to Rs. 5,800 by 31st March, 2014.

- (4) Bank had debited the pass book for dishonor of bill for Rs. 720 on 19-3-2014 for which there was no entry in the cash book.
- (5) A cheque of Rs. 2,600 issued to Dettarao on 17-3-2014 was presented in the bank on 3-4-2014.

31. From the following Ledger Balances of Chandan Trading Company prepare Trail Balance as on 31st March, 2014 :—

Particulars	Rs.
Chandan's Capital	4,05,000
Chandan's Drawings	32,600
Patents and Trade marks	18,000
Opening Stock	37,800
Salaries and Wages	47,300
Purchases	1,33,200
Sales	2,78,000
Plant and Machinery	2,47,000
Return Outward	4,700
Printing and Stationery	17,500
Loan from Bank	85,000
Land and Building	2,37,000
Debtors	41,200
Creditors	55,700
Discount Received	12,400
Interest paid on Bank Loan	28,800

(6 × 4 = 24)

Turn over

Part D

Answer any two questions.
Each question carries 15 marks.

32. From the following Trial Balance of Ganesh Traders prepare Trading and Profit and Loss a/c for the year ended 31-3-2014 and the Balance Sheet as on that date :

Debit Balances	Rs.	Credit Balances	Rs.
Purchases	1,96,000	Sales	4,24,000
Wages	42,000	Capital	2,20,000
Stock on 1-4-2013	50,000	Creditors	70,000
Printing	34,000	Returns	4,600
Insurance paid (up to 30-9-2013)	4,400	Loan	36,000
Salaries	64,000	Rent received	6,400
Carriage inward	20,000		
Stationery	28,000		
Advertising	24,000		
Building	70,000		
Machinery	1,20,000		
Debtors	60,000		
Returns	4,000		
Cash in hand	4,600		
Patents	40,000		
	7,61,000		7,61,000

Adjustments :

- (1) Closing Stocks valued at Rs. 52,000.
- (2) Outstanding Expenses are : Wages Rs. 3,600, Salaries Rs. 7,600, Printing Bill Rs. 2,400.
- (3) Depreciate Machinery at 10 % p.a. Patents are to be revalued on 31-3-2014 at Rs. 36,400.

33. Journalise the following transactions in the Books of Sunil for the Month of October, 2014 :

- 1 Started business with Rs. 20,000 of which Rs. 12,000 were borrowed from Dena Bank.
- 4 Sold goods to Sanjay Rs. 5,200, 40 % of which was for Cash.
- 10 Withdrew from Bank Rs. 400 for Office and Rs. 300 for personal use.
- 14 Paid Rs. 2,700 as Life Insurance Premium of Sunil and Rs. 2,300 as Insurance Premium of Business Premises.
- 18 Remuneration paid to Office Staff Rs. 2,400 by Cheque.
- 22 Purchased goods Rs. 15,000 @ 20 % Trade Discount.
- 25 Received Rs. 2,800 in full settlement of Rs. 2,850 from Suhas for goods supplied to him during last month.
- 31 Salary paid to Sumangal Rs. 3,500 of which Rs. 2,900 were paid in cash and the balance in goods.

34. Enter the following transactions in a Cash Book with three columns viz Cash, Bank and Discount for the month of March, 2012 :

March, 2014

- 1 Cash in hand Rs. 400 and Bank Overdraft Rs. 600.
- 2 Brought additional capital in cash Rs. 20,000.
- 3 Deposited into Bank Rs. 10,000.
- 5 Goods sold for cash Rs. 20,000 and allowed Cash Discount of Rs. 200.
- 7 Commission paid to agent Rs. 1,000.
- 9 Cash Sales of Goods Rs. 2,000.
- 10 Goods sold to Radha on Credit Rs. 30,000.
- 14 Purchased goods from Sarika for Rs. 30,000 less 2 % discount and paid the amount by cheque.
- 17 Transferred Rs. 10,000 from Private Bank a/c. to Business Bank a/c.
- 19 Received cheque from Radha Rs. 29,400 and allowed her discount of Rs. 600.
- 21 Goods insured against fire for Rs. 1,00,000 and paid Insurance Premium at 4 % by cheque.
- 23 Purchased 5 % Government Bonds of Rs. 2,000 at 95 % and paid amount by cheque.
- 25 Paid Rent Rs. 1,000 by cheque.
- 27 Furniture purchased on credit from Ganesh Traders Rs. 14,000.

Turn over

29 Goods sold for cash Rs. 40,000 and allowed cash discount at 1 %.

30 Paid Salary Rs. 4,000 by cheque.

35. Write short notes on :

- (a) Bill of exchange.
- (b) General accepted accounting principles.
- (c) Bank reconciliation statement.

(2 × 15 = 30)