

I Semester B.B.A. Examination, November/December 2016

(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** questions. Each question carries **two** marks.

(5×2 = 10)

1. a) What is Book Keeping ?
- b) Bring any two features of Accounting.
- c) What is single entry system of Book Keeping ?
- d) Give the meaning of Credit Note.
- e) Why is Bank Reconciliation Statement prepared ?
- f) What is Petty Cash Book ?
- g) What is statement of affairs ?

SECTION – B

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

(3×6=18)

2. Explain any three accounting concepts.
3. What are the objectives of Accounting.

P.T.O.



4. Ms. Rifa maintains a Columnar Petty Cash Book on the impressed system.
From the following information prepare a Petty Cash Book and Balance it :

December 1 st	Cash received ₹ 2,000 towards petty expense
" 2 nd	Bus fare ₹ 100
" 3 rd	Courier services ₹ 150
" 5 th	Stationery expenses ₹ 250
" 14 th	Cartage ₹ 150
" 16 th	Travelling expense ₹ 100
" 20 th	Computer stationery ₹ 100
" 23 rd	Office sanitation expense ₹ 100
" 26 th	Printing ₹ 125
" 29 th	paid to Sudha ₹ 100

5. Enter the following in the sales Day Book.

June 1 st	Sold to Mr. Kiran ₹ 4,500 on account.
" 2 nd	Mr. Bhaskar bought from us goods of ₹ 2,500 on account.
" 15 th	Credit sales to Mr. Lakshman ₹ 4,000 subject to 10 % discount.
" 20 th	Cash sales to Mr. Zaheer ₹ 2,000
" 26 th	Sold to Mr. Dinesh ₹ 3,500
" 28 th	Sold office furniture for ₹ 1,000

6. How do you ascertain profit or loss under Single Entry System of Book Keeping ?



SECTION – C

Answer any three questions. Each question carries 14 marks. (3×14=42)

7. Journalise the following transactions in the books of M/s Bharath Traders.

			₹
October 2016	1 st	Started business with cash	2,00,000
"	2 nd	Bought office furniture	30,000
"	4 th	Paid into bank to open a current account	1,00,000
"	5 th	Purchased a computer and paid by cheque	50,000
"	8 th	Cash sales	60,000
"	12 th	Sold goods to Karishma on credit	25,000
"	16 th	Cash paid to Manasa on account	30,000
"	18 th	Goods returned to Radhika	2,000
"	21 st	Stationery purchased for cash	3,000
"	23 rd	Paid wages	1,000
"	25 th	Goods returned by Karishma	2,000
"	26 th	Cheque given to Radhika	28,000
"	29 th	Cash received from Karishma on account	15,000
"	30 th	Life insurance premium paid by cheque	4,000



8. Enter the following transactions in three column cash book.

		₹
May 1 st 2016	Balance of cash in hand	4,000
	Balance of cash at bank	10,000
" 3 rd "	Received cash from Mamatha	2,000
	and allowed her discount	100
" 4 th "	Sold Goods for cash	3,500
" 5 th "	Cash paid into Bank	3,200
" 7 th "	Cash paid to Neha	1,400
	and discount received	50
" 10 th "	Cash withdrawn for office use	3,100
" 15 th "	Bought furniture and amount paid by cheque	5,600
" 18 th "	Received from Suresh a cheque	1,650
	and discount allowed by him	50
" 21 st "	Suresh cheque paid into bank	1,650
" 24 th "	Issued to Sesha a cheque for	1,900
	and discount received	100
" 30 th "	Paid salary	1,850

9. From the following Trial balance of Ravikumar as on 31-3-2016 prepare Final A/cs.

Name of Accounts	Debit	Credit
Drawing and capital	15,000	1,20,000
Bills Receivable	22,000	-
Machinery	20,000	-
Debtors and creditors	60,000	58,000



Wages	39,000	—
Purchases and Sales	2,52,000	3,55,000
Commission received	—	5,500
Rent and Taxes	6,000	—
Stock (1-4-2015)	90,000	—
Salaries	10,500	—
Travelling Expenses	2,000	—
Insurance	600	—
Repairs	3,400	—
Bad debts	3,500	—
Furniture	9,000	—
Returns	5,000	2,000
Cash in Hand	2,500	—
	5,40,500	5,40,500

Adjustments :

- 1) Closing stock on 31-3-2016 Rs. 1,00,000.
- 2) Provision for Bad debts 5 % on Debtors.
- 3) Prepaid Insurance Rs. 100.
- 4) Commission earned but not received Rs. 500.
- 5) Wages and salaries outstanding Rs. 1,000 and Rs. 1,500 respectively.
- 6) Depreciate machinery at 5 % and furniture 10 %.



10. Rabiya has not kept her books on double entry. Ascertain her profit for the year 2016 and draft the Revised Statement of Affairs as on 31-3-2016 with the help of following

Particulars	1-4-2015	31-3-2016
Cash	3,000	24,000
Bank overdraft	30,000	—
Stock	53,000	80,000
Sundry creditors	26,000	40,000
Sundry debtors	60,000	1,40,000
Bills payable	6,000	12,000
Furniture	40,000	60,000
Bills Receivable	8,000	28,000
Machinery	50,000	1,00,000
Investment	30,000	80,000

Additional Informations :

- 1) Drawing were Rs. 10,000 p.m.
- 2) Additional capital introduced Rs. 2,00,000.
- 3) Write off Rs. 2,000 as bad debts.
- 4) Outstanding salary Rs. 2,400.
- 5) Prepaid Insurance Rs. 700
- 6) Depreciate furniture and machinery of 10 % P.A. on opening balance.
- 7) Allow interest on capital at 5 % P.A. on opening capital.



11. From the following information find out credit sales and credit purchase of Mr. Adeeb who keeps books under Single Entry system.

a) Analysis of cashbook reveals the following

	Rs.
Payment to creditors	1,05,550
Received from debtors	52,050
Cash sales	65,460
Bills payable discharged	16,000
Bills receivables	15,000

Note : Discount allowed Rs. 550 and discount earned Rs. 350.

b) Other information :

	1-4-15	1-4-16
Sundry creditors	4,570	25,640
Sundry debtors	20,000	15,620
Bills receivable	25,400	30,450
Bills payable	22,470	13,240
