



SN – 371

-19-

I Semester B.B.M. Examination, Nov./Dec. 2013
(Semester Scheme) (Repeaters) (Prior to 2011-12)
BUSINESS MANAGEMENT
Paper – 1.4 : Fundamentals of Accounting

Time : 3 Hours

Max. Marks : 90

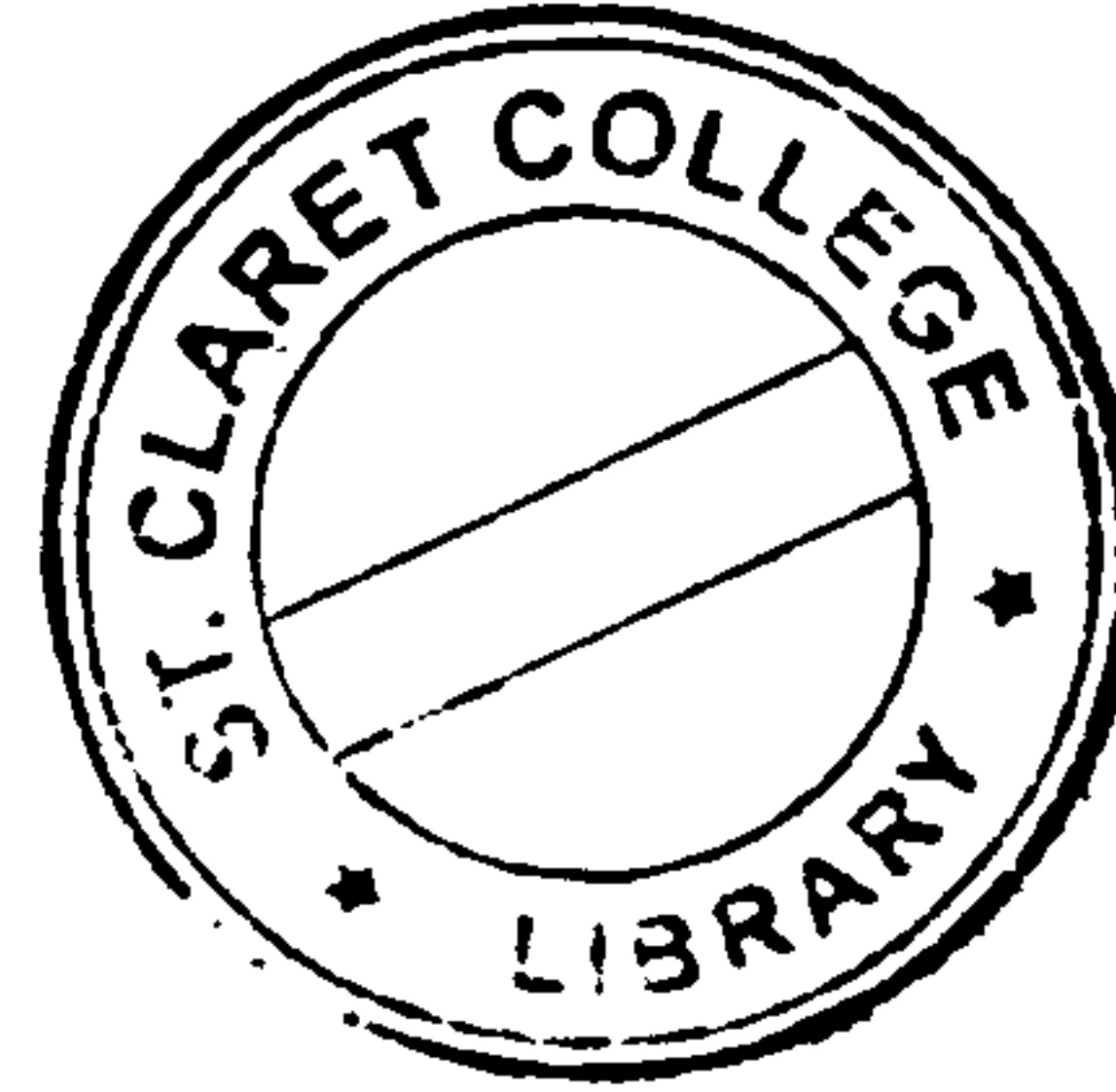
Instructions : Answer should be written in **English** only.

Working notes should be given **wherever** necessary.

SECTION – A

Answer **any ten** of the following. **Each** question carries **two** marks. (10×2=20)

1. a) What do you mean by Accounting ?
- b) What is accounting conventions ?
- c) Give the meaning of single entry system.
- d) What is journal ?
- e) What is credit note ?
- f) What do you mean by bank reconciliation statement ?
- g) What are different types of cash book ?
- h) What is an imprest system ?
- i) What is statement of affairs ?
- j) What is errors of principle ?
- k) What is balance sheet ?
- l) Give the meaning of intangible assets.



P.T.O.



SECTION – B

Answer **any five** questions. **Each** question carries **five** marks.

(5×5=25)

2. Distinguish between journal and ledger.

3. Explain any five accounting concepts.

4. Journalise the following transactions :

- 2012 Jan. 1 Started business with Rs. 10,000
 2 Bought furniture for Rs. 1,200
 5 Purchased goods from HK Traders for Rs. 3,000 for cash
 12 Sold goods to Sudeep Rs. 1,500
 18 Lend money to Anusha Rs. 2,000 at 5% interest
 25 Paid cash to Sushma Rs. 1,000.

5. Enter the following transactions in simple petty cash book.

- 2012 Jan. 2 Received a cheque for Rs. 500 to open account
 4 Paid postage Rs. 50
 6 Paid taxi bare Rs. 100
 8 Wages paid Rs. 75
 13 Paid auto bare Rs. 50
 17 Paid labour charges Rs. 30
 19 Purchase of stationery Rs. 83
 25 Tiffin charges to customer Rs. 60

6. From the following information prepare trading account for the year ended 31-3-2013 :

	Rs.
Stock on 1-4-2012	10,000
Purchases	20,000
Return outwards	1,000
Sales	60,000
Return inwards	2,000
Wages	7,000
Freight and carriage	2,000
Power	3,000



Factory rent	3,000
Coal, gas and water	2,000
Stock on 31-3-2013	5,000

7. Enter the following transactions in the sales book of Srikanth, a provision merchant.

2012

- Feb. 1 Sold to Anand and Co. Bangalore 10 bags of rice at Rs. 120 per bag.
- 8 Sold to Kishore Mangalore 10 bags of sugar at Rs. 250 per bag less trade discount 2%.
- 10 Sold to Naveen Mumbai 10 bags of wheat at Rs. 50 per bag.
- 18 Sold to Sudesh and Co. Cochin, 10 bags groundnut at Rs. 100 per bag less trade discount 5%.
- 28 Sold to Taj hotel Bangalore, 10 bags of wheat flour at Rs. 100 per bag.

8. Pass Rectification Entries for the following :

- 1. Rs. 15,000 paid for machinery purchased has been charged to purchases account.
- 2. Repair charges were debited to furniture account Rs. 1,500.
- 3. An amount of Rs. 3,000 withdrawn by the proprietor for his personal use has been debited to Trading A/c.
- 4. Rs. 400 paid for rent debited to landlord account.
- 5. Rs. 500 received from Rao and Co. has been wrongly entered as Ram and Co.

9. Classify the following accounts as Personal, Real and Nominal :

- 1) Telephone expenses
- 2) Customers A/c
- 3) Investment
- 4) Drawings
- 5) Karnataka Traders
- 6) Rent received
- 7) Advertisement
- 8) Royalty A/c
- 9) Furniture
- 10) Mr. Raj A/c.



SECTION – C

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

(3×15=45)

10. From the following transaction prepare three coloum cash book.

2013

- Jan. 1 Kishore commenced business with Rs. 20,000.
- 2 Opened bank A/c with Rs. 10,000.
- 5 Cash sales Rs. 5,000.
- 10 Paid Krishna cash Rs. 1,900 and allowed discount Rs. 100.
- 18 Drew from bank for office use Rs. 2,500.
- 21 Bought machinery and paid by cheque Rs. 4,500.
- 23 Received commission Rs. 450.
- 28 Purchased from Kokila Rs. 3,500 paid by cheque.
- 31 Received from Kamala Rs. 2,900 in full settlement of Rs. 3,000.

11. Enter the following transactions in proper subsidiary books.

2013

- April 1 Purchased goods from Mohan for Rs. 1,600 less 20% trade discount.
- 2 Purchased goods from Naveen for Rs. 1,400 less 20% trade discount.
- 4 Returned Mohan goods worth Rs. 200.
- 5 Returned Naveen goods worth Rs. 160.
- 8 Sold to Omega for Rs. 1,000.
- 11 Omega returned to us goods worth Rs. 200.
- 19 Daramesh returned goods worth Rs. 100.
- 21 Bought goods from Karnal Rs. 600.
- 22 Sold goods to Rajesh Rs. 300.
- 25 Bought goods from Suresh Rs. 1,000 less 5% trade discount.
- 26 Bought goods from Ranganath Rs. 500 less 8% trade discount.
- 30 Returned goods worth Rs. 200 to Suresh.



12. From the following transaction prepare Bank Reconciliation Statement as on 31-8-2012 :

- a) Bank balance as per cash book Rs. 8,000.
- b) Cheques of Rs. 1,000, 2,000 and 3,000 issued on 8th, 10th and 13th of August. Of these a cheque issued on 10th was not presented for payment until 31st August.
- c) Interest and dividend collected by banker on 25th August and informed the customer on 1st September Rs. 500.
- d) Cheques totalling Rs. 3,300 deposited into bank of which a cheque of Rs. 2,300 only collected in August.
- e) A cheque of Rs. 2,000 received and debited in cash book but not sent to bank till 31st August.
- f) The following entries found in pass book only.
 - 1) Interest on bank balance Rs. 250
 - 2) Electricity bill paid Rs. 400
 - 3) Commission charged Rs. 50

13. Mr. Ajay keeps books on single entry system from the following information, prepare a statement of profit or loss for the year ended 31-3-2013 and a revised statement of affairs as on that date.

Particulars	31-3-2012	31-3-2013
Cash in hand	500	800
Cash at bank	9,200	7,800
Bills receivable	13,000	14,300
Sundry debtors	14,000	13,000
Stock	11,200	8,500
Bills payable	22,400	15,100
Sundry creditors	7,000	9,000
Furniture	5,000	5,000
Machinery	10,000	10,000



Adjustments :

- 1) The additional capital introduced during the year amounted to Rs. 2,000 and drawings during the year amounted to Rs. 3,200.
 - 2) Depreciate furniture by 10% and machinery by 6%.
 - 3) Create a reserve of 5% on sundry debtors for doubtful debts.
14. From the following balances extracted from the books of Mr. Prashanth, prepare Trading and Profit and Loss account and Balance Sheet as on 31-3-2013.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Capital	–	60,000
Drawings	10,000	–
BOD	–	8,400
Furniture and fittings	5,200	–
Business premises	40,000	–
Debtors and creditors	36,000	26,000
Stock on 1-4-2012	44,000	–
Rent	–	2,000
Purchases and sales	2,20,000	3,00,000
Sales returns	4,000	–
Discount	3,200	4,000
Taxes and insurance	4,000	–
General expenses	8,000	–
Salaries	18,000	–
Commission	4,400	–
Carriage on purchases	3,600	–
Reserve for doubtful debts	–	1,000
Bad debts	1,000	–



Adjustments :

- 1) Stock on 31-3-2013 Rs. 40,120.
 - 2) Depreciate business premises by Rs. 600 and furniture and fittings by 10%.
 - 3) Make a reserve for doubtful debts at 5% on debtors
 - 4) Allow interest on capital at 5%.
 - 5) Prepaid insurance Rs. 1,400.
-