QP – 358

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I Semester B.B.A. Examination, April/May 2021
(CBCS Repeaters 2014-15 and 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** sub-questions. **Each** question carries **2** marks : **(5×2=10)**

1. a) State any limitations of accounting.
   b) Give the meaning of accounting cycle.
   c) What is business entity concept ?
   d) What is accounting standard ?
   e) What is journal proper ?
   f) What is gross profit ?
   g) What is bank reconciliation statement ?

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SECTION – B

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

2. Explain the objectives of accounting.
3. Explain the rules for debiting and crediting various types of account.
4. Write a brief note on :
   a) Statement of affairs.
   b) Statement of profit or loss.
   c) Revised statement of affairs.
5. From the following particulars prepare a Bank Reconciliation Statement showing the balance as per pass book as on 31st March 2020. The Bank balance as per pass book ₹ 15,000 :
   a) Cheque issued but not presented to bank for payment ₹ 3,000.
   b) Interest credited in the pass book but not entered in the cash book ₹ 400.
   c) Cheque ₹ 4,000 deposited to bank but not credited in the pass book.
   d) Bank charges ₹ 500 debited in the pass book but not entered in the cash book.
   e) Cheque deposited into bank for collection but dishonoured ₹ 2,000.

P.T.O.

6. From the following particulars prepare analytical petty cash book on the imprest system.

2020

April 1st : Received a cheque for ₹ 1,500 toward petty expenses
April 3rd : Paid for cartage ₹ 40
April 6th : Paid for postage and telegram ₹ 70
April 10th : Wages paid ₹ 300
April 12th : Stationery purchased ₹ 120
April 15th : Paid for taxi hire ₹ 200
April 18th : Postal stamps purchased ₹ 50
April 20th : Paid to Mr. X in full settlement of his A/c ₹ 100
April 25th : Refreshment to customer ₹ 200.

SECTION – C

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

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

2021

Jan. 1st : Commenced business with cash ₹ 50,000
Jan. 3rd : Purchased furniture for ₹ 60,000
Jan. 5th : Bought goods on credit from Vijay for ₹ 70,000
Jan. 8th : Purchased goods for cash ₹ 50,000
Jan. 11th : Returned goods to Vijay ₹ 10,000
Jan. 14th : Sold goods to Rajesh for ₹ 50,000
Jan. 18th : Received cash from Rajesh ₹ 20,000
Jan. 20th : Paid salaries ₹ 20,000
Jan. 21st : Received commission ₹ 5,000
Jan. 24th : Paid general expenses ₹ 5,000
Jan. 28th : Deposited cash into the bank ₹ 25,000
Jan. 29th : Paid insurance premium by cheque ₹ 1,000
Jan. 30th : Withdrew cash from business for personal use ₹ 10,000
Jan. 31st : Rajesh returned goods ₹ 8,000.

8. From the following trial balances extracted from the books of Mr. Arun, prepare Trading and Profit and Loss A/c for the year ending 31st March 2020 and Balance Sheet as on that date :

Particulars	**Dr.** ₹	**Cr.** ₹
Capital	–	1,30,000
Cash on hand and at bank	5,000	–
Purchases and sales	40,000	90,000
Returns	2,000	1,000

Wages	10,000	–
Power and fuel	5,000	–
Salary	18,000	–
Carriage outwards	4,000	–
Carriage inwards	2,600	–
Stock	15,000	–
Plant and machinery	70,000	–
Furniture	30,000	–
Debtors and creditors	19,400	6,500
General expenses	3,000	–
Insurance	500	–
Drawings	3,000	–
	2,27,500	**2,27,500**

Adjustments :

a) Closing stock was ₹ 20,000.
b) Prepaid insurance ₹ 200.
c) Depreciate plant and machinery at 10% p.a.
d) Charge 5% interest on drawing.

9. Enter the following transactions in the three column cash book :
2021
Jan. 1st : Balance of cash in hand ₹ 6,000 and at bank ₹ 18,000.
Jan. 3rd : Paid Deepak by cheque ₹ 11,500 in full settlement of his account for ₹ 11,600
Jan. 5th : Bought goods for cash ₹ 2,800 and for cheque ₹ 5,000
Jan. 6th : Drew cash for office use ₹ 5,000
Jan. 9th : Paid wages in cash ₹ 4,500
Jan. 10th : Paid Mr. Y ₹ 3,200 by cheque
Jan. 13th : Sold goods for cash ₹ 10,000
Jan. 16th : Received cheque from Vinay ₹ 5,200 in full settlement of his account for ₹ 5,250. Deposited Vinay's cheque into the bank.
Jan. 20th : Vinay's cheque was returned dishonoured
Jan. 22nd : Paid ₹ 11,200 into the bank.
Jan. 24th : Received cheque from Mohan ₹ 6,200 on account and deposited the same into the bank.
Jan. 27th : Paid Harish ₹ 3,750 in full settlement of his account for ₹ 3,800
Jan. 28th : Received cheque from Chandan ₹ 7,850 in full settlement of his account for ₹ 7,900.

10. Enter the following transactions in proper subsidiary books and post them into the ledger and balance the accounts :

2021

Feb. 1st : Bought goods from Ajay ₹ 15,000
Feb. 2nd : Sold goods to Bharath ₹ 8,000
Feb. 4th : Allowance claimed from Ajay for shortage ₹ 100
Feb. 6th : Sold goods to Vinodh ₹ 12,000
Feb. 10th : Sold goods to Suresh ₹ 8,000
Feb. 14th : Bought goods from Ravi ₹ 12,000
Feb. 16th : Allowance granted to Suresh for shortage ₹ 200
Feb. 20th : Sold goods to Vimal ₹ 16,000
Feb. 21st : Sold goods to Ramesh less 5% ₹ 10,000
Feb. 23rd : Purchased goods from Dinesh ₹ 11,000
Feb. 25th : Bought goods from Santhosh less 4% ₹ 10,000
Feb. 28th : Vimal returned goods ₹ 500.

11. Mr. Shankar is a small trader maintaining his books of accounts by single entry. The following information is available from his records :

Particulars	**1-1-2020**	**31-12-2020**
	₹	₹
Cash	2,000	4,000
Bank	15,000	25,000
Stock	28,000	33,000
Debtors	35,000	42,000
Bills receivable	12,000	12,000
Furniture	20,000	20,000
Machinery	30,000	30,000
Building	60,000	60,000
Bills payable	20,000	15,000
Creditors	30,000	40,000

a) During one year, Shankar withdrew ₹ 13,000 for his personal expenses. On 1-7-2020 he introduced an additional capital of ₹ 14,000.
b) Appreciate building by 10%.
c) Depreciate furniture and machinery at 10%.
d) Write off ₹ 2,000 as bad debts and maintain RBD at 5%.
e) Allow interest on capital at 10% p.a.
f) Prepaid insurance ₹ 2,000.

Prepare statement of profit or loss for the year ended 31st December 2020 and a revised statement of affairs as on that date.