



**GN-363**

102466

I Semester B.B.A. Examination, December - 2019

(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** sub-questions. Each question carries **2** marks.

**5×2=10**

1. (a) State any two objectives of accounting.  
(b) What is GAAP ?  
(c) What is a Trial Balance ?  
(d) What is Accounting Standard ?  
(e) What is endorsement of a bill ?  
(f) What is a statement of affairs ?  
(g) What is Depreciation ?

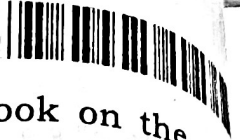
**SECTION - B**

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

**3×6=18**

2. Briefly explain the functions of accounting.
3. Write a brief note on :  
(a) Sales Book  
(b) Purchases Book
4. Briefly explain the Accounting Cycle.
5. The Cash Book of Evergreen showed a balance of ₹ 31,600 at the Bank. From the following particulars ascertain the balance as per Pass Book by preparing Bank Reconciliation Statement.  
(a) Cheques paid into Bank, but not credited in the Passbook ₹ 1,860.  
(b) Cheques issued but not yet presented for payment ₹ 1,520  
(c) Bank charges debited in the Passbook, not yet entered in the Cash Book ₹ 200  
(d) Interest on investments collected by Bank not yet entered in the Cash Book ₹ 600  
(e) Interest allowed by Bank, not yet entered in the Cash Book ₹ 400

**P.T.O.**



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6. Enter the following transactions in a Analytical Petty Cash Book on the imprest system.

2019

- April 1<sup>st</sup> : Received a cheque for ₹ 2,500 towards petty expenses  
April 2<sup>nd</sup> : Spent for postage ₹ 35  
April 3<sup>rd</sup> : Paid for office cleaning ₹ 150  
April 5<sup>th</sup> : Paid travelling expenses to Manager ₹ 325  
April 7<sup>th</sup> : Paid for cartage ₹ 125  
April 15<sup>th</sup> : Paid wages ₹ 500  
April 20<sup>th</sup> : Paid to Sudharshan & Co. ₹ 225

**SECTION - C**

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

**3x14=42**

7. Enter the following transactions in Personal accounts and Bank account

2019

- July 1<sup>st</sup> : Maruthy started business with ₹ 25,000 and goods worth ₹ 10,000  
July 5<sup>th</sup> : Sold goods for cash ₹ 4,000  
July 6<sup>th</sup> : Purchased goods from Kumar ₹ 12,500  
July 8<sup>th</sup> : Paid into Bank ₹ 3,500  
July 10<sup>th</sup> : Used cash for domestic use ₹ 1,200  
July 12<sup>th</sup> : Sold goods to Goutham ₹ 8,500  
July 15<sup>th</sup> : Received a cheque from Goutham for ₹ 8,300 in full settlement  
July 18<sup>th</sup> : The above cheque deposited into Bank  
July 20<sup>th</sup> : Purchased furniture from Ramlal & Co. ₹ 14,500  
July 25<sup>th</sup> : Paid for postage ₹ 150, Sundry expenses ₹ 450  
July 28<sup>th</sup> : Commission received ₹ 250  
July 30<sup>th</sup> : Withdrew goods for personal use ₹ 750



8. From the following Trial Balance extracted from the books of Mr. Narayan Rane, prepare Trading and P & L A/c for the year ending 31<sup>st</sup> March 2019 and Balance Sheet as on that date.

Particulars	Debit ₹	Credit ₹
Capital	-	81,000
Drawings	10,000	-
Plant & Machinery	60,000	-
Debtors	40,000	-
Creditors	-	45,000
Purchases & Sales	80,000	1,40,000
Returns	4,000	5,000
Wages	15,000	-
Cash in hand	1,000	-
Cash at Bank	6,000	-
Salaries	10,000	-
Repairs	4,000	-
Rent	4,500	-
Stock	20,000	-
Manufacturing expenses	5,000	-
Bills	10,000	-
Bad Debts	1,000	-
Provision for bad debts	-	1,500
Carriage	2,000	-
	<b>2,72,500</b>	<b>2,72,500</b>

**Adjustments :**

- (a) Rent paid in advance ₹ 500
- (b) Depreciate Plant & Machinery at 10% p.a.
- (c) Allow interest on capital at 5% p.a.
- (d) Closing stock was ₹ 30,000



9. Enter the following transactions in a Cash Book with Discount, Cash & Bank columns.

2019

- April 1<sup>st</sup> Cash at office ₹ 4,500 and Bank Overdraft ₹ 1,250  
April 2<sup>nd</sup> Purchased goods for ₹ 5,000 and paid by cheque less 10% discount  
April 5<sup>th</sup> Settled Charan account of ₹ 4,500 by cheque for ₹ 4,325  
April 6<sup>th</sup> Kumar settled his account of ₹ 7,500 by cheque. This is Banked immediately.  
April 8<sup>th</sup> Received from Sudheer crossed cheque for ₹ 12,875 in settlement of his account ₹ 13,050  
April 10<sup>th</sup> Sold furniture for ₹ 750  
April 12<sup>th</sup> Cash Sales ₹ 4,000 of which ₹ 3,200 was Banked  
April 15<sup>th</sup> Cashed a Cheque ₹ 1,250  
April 18<sup>th</sup> Bank charges as per Passbook ₹ 150  
April 20<sup>th</sup> Paid by Salaries ₹ 2,200 Rent ₹ 1,500  
✓ April 25<sup>th</sup> Withdrew from Bank for office use ₹ 2,000 and for personal use ₹ 1,500

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

2019

- May 1<sup>st</sup> : Bought from Srinivas ₹ 15,000  
May 3<sup>rd</sup> : Sold to Rajesh & Co. ₹ 10,000  
May 5<sup>th</sup> : Purchased from M/s Madanlal & Co. ₹ 6,000  
May 8<sup>th</sup> : Sold to Naresh less 2% ₹ 15,000  
May 10<sup>th</sup> : Allowed Naresh for damaged goods ₹ 150  
May 12<sup>th</sup> : Purchased from Jairaj less 4% ₹ 8,500  
May 15<sup>th</sup> : Claimed allowance from Jairaj for shortage ₹ 50  
May 18<sup>th</sup> : Sold goods to Pranesh ₹ 20,500  
May 20<sup>th</sup> : Sent credit note to Pranesh ₹ 200  
May 22<sup>nd</sup> : Purchased from Satish & Co. ₹ 10,000  
May 25<sup>th</sup> : Sold to Ameer goods worth ₹ 15,500  
May 28<sup>th</sup> : Ameer returned goods ₹ 300



11. Mr. Suraj Rao is a small trader maintaining his books of accounts by Single Entry. He gives the following list of ledger balances on the opening and closing dates of the accounting year 2019.

	01.01.2019 (₹)	31.12.2019 (₹)
Buildings	25,000	25,000
Machinery	12,000	15,000
Furniture	6,000	8,000
Debtors	10,000	8,000
Stock	5,000	7,000
Bank	1,500	6,500
Creditors	22,000	14,000
Capital	37,500	-

- (a) His additional capital investments in the year ₹ 6,000 in cash and ₹ 2,000 in the form of furniture brought into the business on 01.01.2019
- (b) On 01.01.2019 he has bought a New Machinery Costing ₹ 3,000
- (c) He has transferred from his bank account of the business ₹ 1,000 per month to his personal bank account and has used goods worth ₹ 1,500 for household requirement
- (d) Depreciate Machinery by 15% p.a. and Furniture by 10% and provide for Rent due ₹ 2,000

Prepare the statement showing P & L A/c for the year 2019 and a Revised statement of affairs as on 31.12.2019.