

B.B.A. DEGREE END SEMESTER EXAMINATION - OCTOBER/NOVEMBER 2018
SEMESTER –1: BACHELOR OF BUSINESS ADMINISTRATION - BBA (CORE COURSE)
COURSE: 16U1CRBBA3 – ACCOUNTING

(Common for Regular 2018 admission and improvement 2017/ supplementary 2017/2016 admission)

Time: Three Hours

Max. Marks: 75

SECTION A

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

1. What do you mean by bad debts?
2. What is accounting?
3. What do you mean by book-keeping?
4. What is Suspense Account?
5. What is a Trial Balance?
6. What do you mean by unexpired expenses? (1 x 6 = 6)

SECTION B

*Answer **any Seven** Questions. Each question carries **2** marks*

7. What are the differences between Trial Balance and Balance Sheet?
8. What are the differences between accounting concepts and conventions?
9. What do you mean by compound journal entries? Give two examples.
10. What do you mean by capital expenditure? Give some examples
11. What do you mean by fixed assets? Give examples
12. What are Errors of Omission? Give two examples.
13. What are the rules of debit and credit as per the English system of accounting?
14. What are the differences between capital and revenue receipts?
15. What do you mean by cash discount?
16. What are the different types of accounts? (2 x 7 = 14)

SECTION C

*Answer **any Five** Questions. Each question carries **5** marks*

17. Journalize the following transactions in the books of Rama & Sons

3rd May : Cash deposited into bank 60,000

4th May : Loan given to Bhuvan 20,000

4th May : Paid cash to Veeru 20,000

5th May : Paid to Veeru by cheque 15,000

5th May : Cash received from Tarun 12,000

- 5th May : Took loan from Anush 15,000
- 6th May : Cheque received from Pranav 15,000
- 6th May : Paid to Intel Computers by cheque 17,000
- 6th May : Withdrew from bank 5,000
- 7th May : Withdrew from bank for office use 8,000
- 7th May : Cash received from Bhuvan on loan account 10,000
- 8th May : Withdrew from bank for personal use 1,000
- 8th May : Cash taken by proprietor for personal use 3,000
- 9th May : Bought furniture and paid by cheque 15,000
- 9th May : Brought additional capital of 25,000

18. Enter the following transactions in the cash book of Mr. Jamil:

	Rs
2005.	
Jan. 01 Mr. Jamil started business with cash	2,00,000
Jan. 03 Bought goods for cash	1,40,000
Jan. 05 Paid for stationary	2,000
Jan. 07 Sold goods for cash	80,000
Jan. 10 Paid for trade expenses	2,000
Jan. 11 Sold goods for cash	20,000
Jan. 14 Received cash from Mr. Asif	10,000
Jan. 15 Paid cash to Mr. Qadir	20,000
Jan. 18 Withdrew cash for personal use	6,000
Jan. 22 Bought goods for cash	40,000
Jan. 25 Sold goods for cash	90,000
Jan. 27 Paid for electricity bill	4,000
Jan. 31 Paid salary	10,000
Jan. 31 Paid rent	3,000

19. Following are some accounting errors. Rectify them by making journal entries:

1. Sales for Rs.20000 made to Malvika was not entered in the Sales Book.
2. Salary of Rs.7500 paid to Accountant Raman was debited to his personal account.

3. Old furniture sold for Rs.2800 was entered in the Sales Book.
 4. Carriage paid Rs.500 on purchase of a Machine was debited to Carriage A/c
 5. Cash Rs.50000 paid to the creditor Atulya Ghosh was debited to Praful Ghosh's A/c
20. Explain the advantages and limitations of accounting.
21. Explain the limitations of single entry system.
22. On 1st July, 2014 a company purchased a machine for Rs.3,90,000 and spent Rs.10,000 on its installation. It decided to provide depreciation @ 15% per annum, using written down value method. On 30th November, 2017 the machine was dismantled at a cost of Rs.5,000 and then sold for Rs.1,00,000.
- On 1st December, 2017 the company acquired and put into operation a new machine at a total cost of Rs.7,60,000. Depreciation was provided on the new machine on the same basis as had been used in the case of the earlier machine. The company closes its books of account every year on 31st March 2018.
- Prepare Machinery Account and Depreciation Account for four accounting years ended 31st March, 2018:
23. What is Trading account? What are the purposes of preparing it?
24. What are the differences between Single entry and Double entry Systems? (5 x 5 = 25)

SECTION D

Answer any Two Questions. Each question carries 15 marks

25. What do you understand by accounting principles? Explain the concepts and conventions of accounting.
26. V. P. keeps his books in Single Entry System. On 1.1.2018 his position was as follows:
Sundry Creditors Rs.20,000; Cash in hand Rs.300; Cash at Bank Rs.10,500; Sundry Debtors Rs.40,000; Stock Rs.10,000; Plant Rs.20,000. On 31.12.2018, the position was:
Sundry Creditors Rs.35,000; Cash in hand-500; Cash at Bank Rs.22,000; Sundry Debtors Rs.49 000'
Stock Rs.12,000; Plant Rs.45,000.
- V. P. drew Rs.500 at the end of every month. He introduced Rs.25,000 by way of additional capital. Depreciate Plant at 10% and raise a reserve of 2 against Sundry Debtors. You are required to prepare a Statement of Profit and Loss for the year ended 31st Dec. 2018 and a Statement of Affairs as on that date.
27. From the following Trial Balance of Mustafa & Co., prepare Trading and Profit and loss A/c for the year ending on 31st Dec. 2018 and Balance Sheet as on that date after making necessary journal entries for adjustments.

	Debit Balance (Rs.)		Credit Balance (Rs.)
Land and Building	60000	Capital	150000
Plant and Machinery	40000	Sundry Creditors	30000
Bill Receivables	8000	Sales	120000
Stock on 1.1.2018	40000	Reserve for Bad and Doubtful Debts	4500
Purchases	51000	Loan (12% p.a.)	10000
Wages	20000	Commission Received	2000
Coal, Gas & Coke	5800		
Salaries	5000		
Rent	2800		
Cash at bank	25000		
Sundry Debtors	45000		
Repairs	1800		
Bad Debts	5500		
Sales Returns	2000		
Furniture and Fixture	4000		
Interest on Loan	<u>600</u>		
	<u>316500</u>		<u>316500</u>

Adjustments

1. Closing stock valued at Rs.30000.
 2. Depreciate Plant & Machinery @ 5% and Furniture & Fixture @ 10%.
 3. Provide for Bad and Doubtful Debts @ 5%.
 4. Outstanding Wages Rs.1000, Rent Rs.500 and interest on loan outstanding Rs. 600.
 5. Commission accrued Rs.1000.
28. What do you mean by Bank Reconciliation Statement? What are the reasons for the disagreement in Cash and Pass books? Show the format of a Bank Reconciliation Statement and explain how to prepare it.

(15 x 2 = 30)
