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B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2017

First Semester

Core Course—BUSINESS ACCOUNTING

(2013 to 2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

Answer all questions.

Each question carries 1 mark.

1. Define a 'Transaction'.
- ✓ 2. Who is a 'Debtor' ?
3. What is an 'Asset' ?
4. What is a Journal ?
- ✓ 5. Define Depreciation.
6. What do you mean by balancing of an account ?
- ✓ 7. What is capital ?
8. What is Profit and Loss Account ?
9. What is Promissory Note ?
10. Define the term 'Drawee'.

(10 × 1 = 10)

Part B

Answer any eight questions.

Each question carries 2 marks.

- ✓ 11. What is double entry system of book-keeping ?
12. What is Journal Proper ?
13. What is a Cash Book ?
14. What is a petty cash book ?
15. State the importance of providing depreciation.
16. What are provisions ?
17. What do you mean by error of principle ?

Turn over

- ✓ 18. Distinguish between manufacturing account and trading account.
- ✓ 19. What are current liabilities ?
- ✓ 20. Distinguish between Cash Discount and Trade Discount.
- ✓ 21. Explain the terms 'Debit Note' and 'Credit Note'.
- ✓ 22. What do you mean by 'Money measurement concept' ?

(8 × 2 = 16)

Part C

*Answer any six questions.
Each question carries 4 marks.*

23. Define Accounting. Explain its importance.
24. Write notes on the following :—
 - (a) Going Concern Concept.
 - (b) Cost Concept.
25. What is bank reconciliation statement ? Explain the need for preparing it.
26. Distinguish between Balance Sheet and Trial Balance.
27. What is a Bill of Exchange ? What are its features ?
28. Explain the following :—
 - (a) Opening Entry.
 - (b) Closing Entry.
 - (c) Adjusting Entry.
29. A lease is acquired on 1st April 2010 for three years at a cost of Rs. 3,00,000. It is proposed to depreciate the lease by annuity method charging interest at 14 % per annum. The Annuity Table show that the amount for Re. 1 for three years at 14 per cent is 0.430731. Show the lease account for the period of lease. Calculations are to be made to the nearest rupee.
30. On 1st November, 2009, Ranjit accepted a bill for Rs. 500 at 4 months drawn by Alope. on 4th November, 2009 Alope discounted the bill at 6 % p.a. with his banker. At maturity, the bill was dishonoured and bank charged Rs. 15 as noting charges. Show necessary journal entries in the books of Alope and Ranjit recording the above transactions.

31. Enter the following transactions in the proper subsidiary books and post them in the ledger :

2015

January	1	Bought goods from Adith—Rs. 1,500
"	2	Sold goods to Prince— Rs. 2,500.
"	9	Sanjay sold goods to us— Rs. 1,000 at a trade discount of 10 %.
"	14	Sold goods to Mahesh Rs. 1,200.
"	18	Received goods returned by Prince—Rs. 50.
"	20	Returned goods to Sanjay Worth—Rs. 100.
"	31	Goods returned by Mahesh—Rs. 120.

(6 × 4 = 24)

Part D

*Answer any two questions.
Each question carries 15 marks.*

✓ 32. Prepare a Bank reconciliation statement from the following particulars :

	Rs.
Bank Balance as per Pass Book	... 10,000
(a) Cheques deposited into the bank but no entry was passed in the cash book	... 500
(b) Cheque received but not sent to bank	... 1,200
(c) Credit side of the Bank column cast short	... 200
(d) Insurance Premium paid directly by the bank under standing advice	... 600
(e) Bank charges entered twice in the Cash Book	... 20
(f) Cheques Issued but not presented to the bank for payment	... 500
(g) Cheques received entered twice in the Cash Book	... 1,000
(h) Bills discounted dishonoured not recorded in the Cash Book	... 5,000

✓ 33. On January 1, 2003, a limited company purchases machinery worth of Rs. 1,00,000. On July 1st, 2004, It buys additional machinery worth Rs. 46,000 and spends Rs. 4,000 on its erection. It accounts are closed each year on 30th June.

Assuming the annual depreciation to be 10 per cent, show the Machinery Account up to 30th June 2006 Under :

- The straight line method ; and
- The reducing instalment method.

Turn over

34. Following is the Trial Balance of Global Traders as on 31-03-2001 :

<i>Debit Balance</i>	Rs.	<i>Credit Balance</i>	Rs.
Debtors	... 16,000	Capital	... 42,000
Bills Receivable	... 4,800	Creditors	... 12,000
Furniture	... 3,000	Bills Payable	... 6,400
Machineries	... 20,000	Wages outstanding	... 500
Salaries	... 4,000	Reserve for doubtful debts	... 1,000
Electricity	... 1,200	Gross Profit	... 10,000
Rent	... 2,000		
Advertisements Expenses	... 1,600		
Closing Stock	... 3,000		
Investment at 12 % Interest	... 12,000		
Bank Balance	... 4,300		
	71,900		71,900

Prepare a Profit and Loss Account for the year ending 31-03-2001 and a Balance Sheet as on that date with the following :—

Adjustments :

- (a) Rent is prepared for Rs. 200.
 - (b) A provision for doubtful debts and provisions for discount on debtors are to be made both at 5 % on sundry debtors.
 - (c) Depreciate machinery at 10 % p.a. and furniture at 20 % p.a.
 - (d) Bills Receivable includes a dishonoured bill for Rs. 600.
 - (e) $\frac{3}{4}$ th of advertisement expenses to be carried forward.
35. (a) Distinguish between 'Accounting Concept' and 'Accounting Convention'.
- (b) Explain the following concepts :—
- (i) Dual Aspect Concept.
 - (ii) Separate Entity Concept.
 - (iii) Accounting Period Concept.

(2 × 15 = 30)