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Name..... Fi YRS. K. Y

**B.B.A. DEGREE (CBCS) EXAMINATION, JANUARY/FEBRUARY 2018**

**First Semester**

**Core—BUSINESS ACCOUNTING**

**(2017 Admissions)**

Time : Three Hours

Maximum Marks : 80

**Part A**

*Answer any ten questions.*

*Each question carries 2 marks.*

1. Who is a creditor ?
2. What is the concept of dual aspect ?
3. What do you mean by contra-entry ?
4. What is cash discount ?
5. Who prepare bank reconciliation statement ?
6. What are the merits and demerits of Secret Reserve ?
7. What is annuity method of charging depreciation ?
8. What are intangible assets ?
9. What are adjusted purchases ?
10. What is manufacturing account ?
11. What do you mean by days of grace ?
12. What do you mean by discounting of bills ?

(10 × 2 = 20)

**Part B**

*Answer any six questions.*

*Each question carries 5 marks.*

13. Explain the rules and advantages of double entry system ?
14. What are the difference between accrual basis of accounting and cash basis of accounting.

**Turn over**

15. Journalise the following transaction :

				Rs.
2015	January	1	Commenced business with cash ...	5,00,000
	January	10	Purchased furniture for cash ...	20,000
	January	15	Cash purchases ...	29,000
	January	20	Paid rent ...	5,000
	January	23	Commission received ...	2,000

16. Prepared a single column cash book from the following transaction :

				Rs.
2015	January	1	Started business with cash as capital ...	35,000
	January	3	Purchased goods for cash ...	12,000
	January	4	Sold goods for cash ...	3,500
	January	10	Sold goods for cash ...	5,000
	January	11	Paid wages in cash ...	500
	January	14	Received from Midhun ...	8,000
	January	17	Paid to Ram ...	3,000
	January	20	Paid to Ram ...	3,000
	January	27	Withdraw for Personal Expenses ...	500
	January	30	Paid rent ...	750

17. Write short note on Reserves.

18. Mr. Mukesh, a trader provided the following information : Prepare Trading Account of Mr. Mukesh :

Closing stock	5,000	Sales	25,000
Adjusted Purchases	15,000	Wages	1,000
Carriage	3,000	Power	500

19. Ascertain the cost of goods sold

Opening Stock	...	7,500
Purchases	...	25,000
Wages	...	4,000

20. On 1st June 2016 R sold goods worth Rs. 5,500 to S and draw a bill for 2 month. On getting the bill accepted R endorsed it to T, his creditor. The bill is met on due date. Give journal entries in the books of R, S and T.
21. Who is a holder and holder in due course ?

(6 × 5 = 30)

### Part C

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

22. Define accounting ? State its functions and limitations ? How is it differ from book-keeping ?
23. From the following Trail Balance, prepare Trading and Profit and Loss account for the year ended 31-12-2015 and Balance Sheet as on that date :

	Debit	Credit
	Rs.	Rs.
Stock on 1-1-2015	46,000	
Purchases and Purchases Return	1,50,200	600
Cash in Hand and at Bank	26,060	
Freehold Premium	38,600	
Incidental Expenses	840	
Printing and Stationery	1,640	
Professional Charges	280	
Commission		3,300
Interest as on 1-1-2015 at 10%	4,000	
Interest on Investments		200
Debtors and Creditors	36,000	29,670

Turn over

	4	
	Debit	Credit
	Rs.	Rs.
Wages and Salaries	39,000	
Capital		1,14,000
Income Tax	1,600	
Discount	6,300	4,600
Sales Return and Sales	550	2,08,950
Bills Receivable	3,200	
Furniture	3,050	
Rent, Rates, Insurance	4,000	
	3,61,320	3,61,320

## Adjustment :

- (a) Provide for wages Rs. 5,000 and rent accrued Rs. 500.
  - (b) Write-off 5% depreciation on Freehold premises and 10 % on Furniture.
  - (c) Income to the amount of Rs. 200 relates to 2016.
  - (d) Stock on 1-12-2015 is 52,000.
  - (e) Charge interest on Capital at 5%.
24. On January 15<sup>th</sup> 2013 P owes Q Rs. 31,000. He accepts a bill for 3 months for Rs. 30,000 in full settlement. On the same date, Q discounts the bill with his banker at 6% p.a. Before the due date P become bankrupt and Q receives first and final dividend of 20 paise in the rupee.
- Pass journal entries and prepare personal accounts in the books of Q.
25. On 1<sup>st</sup> January 2000 a company bought Plant and Machinery costing Rs. 55,000 and spent Rs. 5,000 on its erection. Additions is made on 1<sup>st</sup> July 2002 for the value of Rs. 20,000. Depreciation is provided at 10% p.a. Prepare plant S machinery Account for 4 years under Fixed Installment method and diminishing balance method.

(2 × 15 = 30)