

E 6180

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Reg. No.....

Name.....

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2018

First Semester

Core Course—BUSINESS ACCOUNTING

(2013—2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

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

1. What is Narration ?
2. What do you mean by creditor ?
3. What do you mean by GAAP ?
4. What is Trade Discount ?
5. What is Fictitious Asset ?
6. What is prepaid expense ?
7. What is Bill of Exchange ?
8. What do you mean by single-entry system of accounting ?
9. What is journal ?
10. What is petty cash book ?

(10 × 1 = 10)

Part B

*Answer any eight questions.
Each question carries 2 marks.*

11. What do you mean by errors of commission ?
12. What are appropriations ?
13. State the concept of depreciation.
14. Distinguish between Cash Discount and Trade discount.
15. Explain the method of valuation of closing stock.
16. Explain Accounting techniques.
17. Explain concept of promissory note, drawer, drawee.
18. What are the different types of Assets ? Give examples.
19. What are the different types of accounts ? Give examples.

Turn over

20. What is a Trial balance ? What are the objectives of preparing a Trial balance ?
 21. What is journal proper ?
 22. What do you mean by money measurement concept ?

(8 × 2 = 16)

Part C

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

23. Distinguish between Balance Sheet and Trial Balance.
 24. Ascertain the bank balance of a trade as per pass book, by preparing reconciliation statement :
 (a) Balance in Bank book as per cash bok as on 31.03.11 Rs. 15,000.
 (b) Cheques lodged in the bank on 27.03.11 Rs. 5,000
 Credited in the pass book on 5th April 2011.
 (c) Interest Rs. 14 credited by the bank on 31.03.2011 not entered in cash book.
 (d) Cheques worth Rs.7,000 issued prior to 31.03.2011 were not presented to the bank will till
 31st March 2011.
 (e) Bank charges Rs. 18 recorded in the pass book only.
 25. Explain the following :
 (a) Opening entry.
 (b) Closing entry.
 (c) Adjusting entry.
 26. A Ltd. Co. acquired a machinery on 1st April 2010 for Rs. 9,20,000 and Rs. 80,000 on installation
 of the machinery immediately. Life of the machine is etimated as 4 years and at the end of which
 its scrap value is expected to be Rs. 1,20,000. The company has decided to depreciate machinery
 under straight line method. The company closes its book of accounts 31st March every year.
 Show machinery account for the four years.
 27. Write short note on Generating Accounting Reports.
 28. Enter the following transactions in the proper subsidiary books and post them in the ledger :
 2016
 April 1 Bought goods from Vinay—Rs. 15,000
 2 Sold goods to Pranav—Rs. 22,000
 3 Tejus sold goods to us—Rs. 10,000 at a trade discount of 10 %
 4 Sold goods to Mahesh—Rs. 12,000
 15 Received goods returned by Pranav—Rs. 5,000
 22 Returned goods to Tejus worth—Rs. 2,000
 31 Goods returned by Mahesh—Rs. 1,200
 29. What is Accounting, its techniques, assumptions.
 30. Differentiate single-entry and double-entry system of Accounting.

(6 × 4 = 24)

Part D

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

31. Enter the following transactions in the cash book of three column viz cash, bank and discount, for the month of March 2010 :

March 2010

- 1 Opening Balance cash Rs. 50,000, Banks Rs. 25,000
- 3 Received from Prakash by cheque Rs. 5,999
- 5 Paid to Kishore Rs. 10,000 and discount received Rs. 500
- 7 Paid to Lalu by cheque Rs. 5,000
- 9 Cash sales Rs. 17,500 as per cash memo No. 120
- 11 Received cheque from Sham Rs. 7,000 in full settlement of Rs. 7,050
- 13 Paid to Kranti printer for printing bills Rs. 900
- 15 Cash deposited into Bank Rs. 5,000
- 17 Bought goods from Mohan on credit Rs. 35,000
- 19 Purchases in the local market Rs. 40,000 and paid cheque
- 21 Paid for household expense Rs. 3,000
- 24 Cash sales Rs. 25,000 and credit sales to Ravi Rs. 5,000
- 28 Deposited into Bank Rs. 1,500
- 29 Cheque issued to Mohan Rs. 4,500 and allowed discount Rs. 500
- 30 Staff wages and salary paid Rs. 5,000.

32. (a) Distinguish between 'Accounting concept' and 'Accounting convention'.

(b) Explain the following aspects :

- (i) Dual Aspect concept.
- (ii) Separate entity concept.
- (iii) Accounting period concept.

33. From the following Trial Balance of Ashok Traders prepare Final Accounts as on 31st March 2012 :

Particulars	Debit	Credit
Ashok's drawing and capital	12,000	1,60,000
Stock as on 1st April 2011	32,000	
Purchass and Sales	2,10,300	2,88,600
Returns	8,600	10,300
Freight and Carriage	19,000	
Rent and Taxes	4,800	
Salary and Wages	5,300	
Debtors and Creditors	20,000	14,000

Turn over

Bank loan at 10 % (from 1st April 2011) ...	—	20,000
Wages and royalties ...	9,400	
Interest on Bank loan ...	1,500	
Publicity and Advertise ...	15,000	
Cash at Bank ...	24,000	
Discount ...	1,100	1,600
Office furniture ...	13,000	
Audit fees ...	900	
Brokerage ...	700	
Cash in hand ...	2,200	
Freehold premises ...	1,10,000	
Bills receivables and payable ...	9,700	5,000
	<u>4,99,500</u>	<u>4,99,500</u>

- (i) Stock on 31st March 2012, cost price Rs., 38,000 and market price Rs. 42,000.
- (ii) Provide 5 % discount on debtors and create bad debts provision at 10 % on Debtors.
- (iii) Depreciate freehold premises by Rs. 10,000.
- (iv) Owing wages Rs. 600.
- (v) Payable audit fees Rs. 600.
- (vi) Paid in advance rent Rs. 800.
34. Journalise the following transaction in the books of Ajith for the month of January 2010 :
- 01 Ajith started with cash Rs. 1,00,000, Building Rs. 1,00,000 and Furniture Rs. 75,000.
- 02 Purchased goods Rs. 20,000 and Stationary Rs. 5,000 for cash.
- 13 Sold goods Rs. 30,000 for cash.
- 14 Deposited into Bank Rs. 20,000.
- 16 Sold goods to Ram Rs. 70,000 at 1 % Trade Discount.
- 20 Commission received Rs. 2,000.
- 21 Cash withdrawal from Bank at Rs. 5000 for personal use.
- 22 Goods worth Rs. 10,000 returned by Ram.
- 23 Paid wages Rs. 1,000, General Expenses Rs. 2,000.
- 24 Sold goods Rs. 5,000 to Vinu for credit.
- 25 Paid LIC premium Rs. 2,000.
- 26 Bought goods of Rs. 50,000 from Sharad and paid 1/3 amount in cash.
- 27 Distributed goods worth Rs. 2000 as free sample.
- 29 Cash received from Vinu.
- 30 Csh received from Ram Rs. 60,000.
- 31 Paid to Sharad on account Rs. 40,000.

(2 × 15 = 30)