



**UN – 405**

**I Semester B.B.A. Degree Examination, Nov./Dec. 2015  
(CBCS) (F+R)  
(2014-15 and 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** questions. **Each** question carries **two** marks.

**(5×2=10)**

1. a) What do you mean by accounting concept ?
- b) State any two functions of Accounting.
- c) What do you mean by balancing of an account ?
- d) Give the meaning of credit note.
- e) How do you treat the goods withdrawn by the proprietor for personal use ?
- f) What is Bank Reconciliation Statement ?
- g) What is trading account ?

**SECTION – B**

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

**(3×6=18)**

2. What are the objectives of accounting ?
3. Explain the rules for debiting and crediting various types of account.

**P.T.O.**



4. From the following information prepare Bank Reconciliation statement of Mr. Vinay as on 31<sup>st</sup> December 2011 :

Balance as per cash book on 31-12-2011 Rs. 4,250. Cheque for Rs. 3,100 were issued during the month of December 2011 but only cheque for Rs. 1,400 were presented for payment during the month of December. Cheque and cash amounting to Rs. 5,900 were deposited in the bank during the month of December but credit was given only for Rs. 3,450. The bank paid during the month of December a sum of Rs. 495 as Life Insurance Premium. The bank credited Rs. 100 as interest and debited for Rs. 45 as bank charges for which there are no corresponding entries in cash book.

5. Prepare Bharath's account in the ledger of Arun for the following transactions between them :

July 2013		Rs.
1	Opening debt of Bharath to Arun	500
8	Arun sold goods to Bharath	2,000
10	Bharath returned goods to Arun	100
12	Arun received cash from Bharath	700
15	Bharath sold goods to Arun on account	1,000
21	Arun returned goods to Bharath	70
24	Bharath paid cash to Arun	200
31	Arun paid rent	500

6. How do you ascertain profit or loss under single entry system of Book-keeping ?



## SECTION - C

Answer any three questions. Each question carries 14 marks.

(14×3=42)

7. Journalise the following transactions in the book of Mr. Dhanush :

August 2015		Rs.
1	Commenced business with cash	1,00,000
4	Deposited into Bank	25,000
8	Purchased goods for cash	15,000
10	Sold goods for cash	25,000
12	Purchase goods from Mr. X on credit	10,000
15	Sold goods to Mr. Y on credit	20,000
16	Withdraw from Bank	5,000
18	Paid to Mohan on account	6,000
20	Received from Harish on account	25,000
23	Paid Salaries	5,000
25	Paid Rent	1,000
28	Received commission	500
30	Paid wages	100
31	Cash withdrawn from business for personal use	1,500

8. Record the following transactions in an analytical Petty Cash Book under the imprest system and balance it :

2015		Rs.
January 1	Received a cheque towards Petty cash	650
3	Bought postage stamps	25



Debtors and Creditors	45,000	25,000
Salaries	7,550	
Wages	10,000	
Carriage outwards	1,200	
Rent	10,000	
Advertisement	2,000	
Cash	6,900	
B/P		20,525
	<b>2,74,075</b>	<b>2,74,075</b>

Prepare trading A/c, P and L A/c for the year ended 31-12-13 and B/s as on that date after taxing into account the following adjustments :

- 1) Closing stock was valued at Rs. 34,220
- 2) Allow interest on capital at 10% p.a.
- 3) Depreciate plant and machinery by 10% and furniture by 6%
- 4) Outstanding salary Rs. 550 and prepaid rent Rs. 1,000.

10. Mr. Ramesh keeps his book under single entry system. He gives you the following information :

	1-1-2011	31-12-2011
	Rs.	Rs.
Cash in hand	8,000	20,000
B/R	20,000	—

During the year he withdrew Rs. 8,000 for his personal use and introduced further capital of Rs. 20,000

- 1) Depreciate furniture and machinery at 10% p.a.
- 2) Appreciate Building by 20%
- 3) Create reserve for doubtful debts at 8% on debtors.
- 4) Allow interest on capital at 10% p.a.

Prepare statement of profit or loss and revised statement of affairs as on 31-12-2011 :

11. From the following information find out credit sales and credit purchases of Mr. X who keeps book under single entry system.

a) Analysis of cash book reveals the following :

	Rs.
Payment to creditors	1,05,550
Received from Debtors	52,050
Cash Sales	65,460
Bills payables	16,000
Bills receivables	15,000

**Note :** Discount allowed Rs. 550 and discount earned Rs. 350.

b) Other information :

	1-1-2011	31-12-2011
Sundry creditors	4,570	25,640
Sundry debtors	20,000	15,620
Bills receivable	25,400	30,450
Bills payable	22,470	13,240