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BBABMC 105/BBMBMC 105

**Credit Based I Semester B.B.A./B.B.M. Degree Examination,
November/December 2018**

(2012 Scheme)

ACCOUNTING – I

Time : 3 Hours

Max. Marks : 80

Instruction : Show working notes *wherever necessary*.

**SECTION – A
(One Mark Each)**

1. Answer **any ten** of the following questions in **one** or **two** sentences each. (1×10=10)
- Define Accounting.
 - What is Ledger Folio ?
 - State any two causes of depreciation.
 - What is Trade Discount ?
 - Name the basic documents for an entry in the purchases Returns and sales book.
 - Give one example for compensating error.
 - How would you treat 'Free samples distributed' in Final Accounts ?
 - What do you mean by Matching concept ?
 - What is the nature of cash book ?
 - Name the methods of arranging assets and liabilities in the Balance Sheet.
 - What do you mean by Computerised Accounting System ?
 - Why Trial Balance is prepared ?

P.T.O.



SECTION – B
(Five Marks Each)

Answer **any five** of the following :

(5×5=25)

2. Explain the functions of Accounting.
3. What are the causes for differences between cash book and Pass book balances ?
4. Rectify the following errors :
 - a) An amount of ₹ 100 spent on repairs to Machinery has been wrongly debited to Furniture account.
 - b) Furniture Purchased for ₹ 500 has been wrongly debited to purchases account.
 - c) An amount of ₹ 1,000 received on the sale of old Machinery has been credited sales account .
 - d) An amount of ₹ 1,000 withdrawn by the proprietor has been debited to general expenses account.
 - e) An amount of ₹ 100 received for interest has been credited to commission account.
5. Enter the following transactions in sales book of Sharma.

2018

- | | |
|---------|---|
| Jan.1 | Sold to Kiran subject to a trade discount of 10%, ₹ 5,000 |
| Jan. 5 | Sold furniture on credit to Pramodh ₹ 4,000 |
| Jan. 8 | Shekar purchased goods from us ₹ 2,500 |
| Jan. 14 | Sold goods to Vikas worth ₹ 4,600 for cash |
| Jan. 20 | Sold goods to Sharin ₹ 3,000 less 5% |
| Jan. 26 | Amar bought goods from us ₹ 3,700 |

6. Enter the following transactions in Analytical Petty Cash Book under Imprest System.

2017

- | | |
|--------|---|
| Dec. 1 | Received a cheque for ₹ 200 to begin with |
| Dec. 3 | Spent for postage ₹ 20 |



- Dec. 5 Paid travelling expenses of Manager ₹ 25
- Dec. 10 Paid for office cleaning ₹ 15
- Dec. 13 Paid cartage ₹ 14
- Dec. 15 Paid for telegrams ₹ 15
- Dec. 17 Tea to customers ₹ 16
- Dec. 20 Paid wages ₹14
- Dec. 22 Purchased stationery ₹ 15
- Dec. 24 Bought postage stamps ₹ 16
- Dec. 29 Trunk call bill ₹ 10.

7. A company took on lease a property on 1-1-2012 for a term of 5 years by payment of ₹ 50,000. It is proposed to depreciate the lease by Annuity method charging 5% Interest. Assuming the annuity of ₹ 1 for 5 years at 5% to be 0.230975.

Show the Lease Account for 5 years.

8. From the following balances, Prepare a Trial balance.

	₹
Capital	24,000
Stock on 1-1-2017	8,500
Furniture	2,600
Purchases	8,950
Cash at bank	7,300
Carriage	300
Sales	22,500
Buildings	12,000



Returns Inwards	1,900
Trade Expenses	1,000
Returns outwards	350
Discount Received	970
Office Rent	2,270
Salary	3,000

SECTION – C

(15 Marks Each)

Answer **any three** of the following.

(15×3 =45)

9. Enter the following transactions in the three column cash book.

2017

- Jan.1 Balance of cash in hand ₹ 4,000 and in Bank ₹ 10,000
- Jan. 2 Received cash from Meera ₹ 1,000 and allowed her discount of ₹15
- Jan. 3 Paid into Bank ₹ 2,000.
- Jan. 4 Paid to Bharath & Co. by cheque ₹ 320 in full settlement of their account for ₹ 340
- Jan. 5 Received from cash sale, cash ₹ 275 and cheque ₹ 225.
- Jan. 6 Paid for cash purchases, by cheque ₹ 645
- Jan. 7 Paid by cheque to Radha & Co. ₹ 475 in full settlement of their account ₹ 500
- Jan. 10 Drew for office use ₹ 450 and ₹ 100 for personal use.
- Jan. 11 Paid cash for advertisement ₹ 100
- Jan. 15 Paid salaries by cheque ₹ 1,500
- Jan. 20 Paid rent to landlord Ramesh ₹ 200
- Jan. 25 Purchased office furniture and paid by cheque ₹ 350
- Jan. 30 Received a cheque of ₹ 600 from Mohan Rao & Co. in full settlement of their account for ₹ 640.

10. Journalise the following transactions in the books of Raveena.

2017

- Mar. 1 Commenced business with Cash ₹ 40,000
- Mar. 2 Purchased goods from Raju ₹ 10,000
- Mar. 3 Bought office furniture for cash ₹ 16,000
- Mar. 5 Sold goods to Karthik ₹ 15,000
- Mar. 8 Returned goods to Aneesh ₹ 1,000
- Mar. 9 Paid salaries ₹ 3,000
- Mar. 12 Prashanth returned goods ₹ 1,900
- Mar. 13 Arjun withdrew for personal use ₹ 2,400
- Mar. 16 Received commission ₹ 300
- Mar. 17 Cash withdrawn for personal use ₹ 2,900
- Mar. 19 Received from Amar on account ₹ 5,000
- Mar. 21 Drew a cheque for Personal use ₹ 1,600
- Mar. 24 Paid wages ₹ 4,600
- Mar. 25 Purchased stationery ₹ 500
- Mar. 30 Received a crossed cheque from Ramesh for ₹ 12,000.

11. From the following, prepare Trading and Profit and Loss A/c and Balance Sheet as on 31-12-2017.

Particulars	Dr.(₹)	Cr.(₹)
Capital	—	32,000
Bad debt Reserve	—	400
Discount received	—	400
Purchase Returns	—	800



Commission received	—	750
Bills Payable	—	2,000
Sales	—	1,30,000
Creditors	—	11,600
Bank Loan	—	4,400
Stock	16,000	—
Building	24,000	—
Debtors	17,000	—
Machinery	10,000	—
Drawings	4,000	—
Purchases	90,000	—
Insurance	1,500	—
Trade Expenses	3,600	—
Sales Returns	600	—
Salaries	8,200	—
Carriage inwards	1,250	—
Bad debts	300	—
Bills Receivables	4,500	—
Cash	1,400	—
Total	1,82,350	1,82,350

Adjustments :

- 1) Closing stock ₹12,000
- 2) Outstanding Salaries ₹ 800
- 3) Prepaid Insurance ₹ 150
- 4) Depreciate buildings at 2% p.a. and Machinery at 10% p.a.
- 5) Make a provision of 5% on debtors for bad debts.



12. Prepare Bank Reconciliation Statement in the books of Sharma.

- 1) Bank balance as per Cash book ₹ 8,000.
 - 2) Cheques deposited into bank, but no entry was passed in cash book ₹ 300
 - 3) Cheques received, but not sent to bank ₹1,000.
 - 4) Credit side of bank column cash short ₹ 100
 - 5) Insurance premium paid directly by bank under standing advice ₹ 500
 - 6) Bank charges entered in cash book twice ₹10
 - 7) Cheques returned back, but no entry passed ₹ 400
 - 8) Cheques issued returned back on account of technical grounds ₹ 300
 - 9) Bills directly collected by bank ₹ 2,000
 - 10) Cheques received entered twice ₹ 500.
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