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**HRDHRC 205**

**Credit Based III Semester B.A. (HRD) Degree Examination, Nov./Dec. 2018  
(New Syllabus Scheme) (Common to All Batches)  
BASIC ACCOUNTING**

Time : 3 Hours

Max. Marks : 100

- Instructions :** 1) *A single answer booklet containing 40 pages will be issued.  
No additional sheets will be issued.*
- 2) *Show working notes wherever necessary.*

**SECTION – A  
(15 Marks each)**

I. Answer the following.

**(15×3=45)**

1) Enter the following transactions in a three column cash book.

**2018**

- Sept. 1 : Commenced business with ₹ 25,000
- " 3 : Paid into bank ₹ 10,000
- " 4 : Purchased goods and paid by cheque ₹ 1,000
- " 6 : Sold goods ₹ 1,200
- " 7 : Bought furniture and paid by cheque ₹ 2,100
- " 10 : Received from Prajith by cheque ₹ 1,100 in full settlement of his account of ₹ 1,200
- " 14 : Sold goods to Bhargavi for cash ₹ 2,500 and deposited ₹1,500 into bank.
- " 15 : Withdrew cash from office for personal use ₹ 800.

P.T.O.



- “ 18 : Paid Krupa by cheque ₹ 3,000 and she allowed discount of ₹ 150.
- “ 20 : Paid salary to clerk by cheque ₹ 3,000.
- “ 24 : Purchased stationery ₹ 100.
- “ 28 : Received commission from Prakash ₹1,300 and deposited the same into bank.
- “ 29 : Interest allowed by bank on bank balance ₹ 300.
- “ 29 : Drew for office use ₹ 600.

OR

Enter the following transactions in proper subsidiary books of Mr. Ragavendra

**2018**

- Aug. 1 : Purchased goods from Arun ₹1,800.
- “ 3 : Sold goods to Adil ₹ 2,000.
- “ 4 : Bought goods from Akhil ₹ 3,100.
- “ 6 : Adil returned goods ₹ 200.
- “ 7 : Allowance claimed from Arun ₹ 50.
- “ 8 : Purchased goods from Bhakti ₹ 2,050.
- “ 10 : Sold goods to Chitra ₹ 1,900.
- “ 13 : Returned goods to Bhakti ₹ 125.
- “ 14 : Sold goods to Dilip ₹ 2,000 less 10%.
- “ 16 : Allowed Chaitra for damaged goods ₹ 60.
- “ 18 : Purchased goods from Felix ₹ 2,800, packing and delivery ₹ 200.
- “ 21 : Received goods returned by Dilip ₹ 90.
- “ 24 : Sold goods to Gayatri ₹ 2,700.
- “ 27 : Purchased goods from Hari ₹ 1,850.
- “ 30 : Returned goods to Felix ₹ 120.



2. From the following Trial Balance of Mr. Jothishashi on 31<sup>st</sup> December 2017. Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2018 and Balance Sheet on that date.

Particulars	Debit (₹)	Credit (₹)
Business premises	40,000	-
Cash at bank	10,000	-
Cash in hand	5,000	-
Wages	10,000	-
Purchases	80,000	-
Capital	-	90,000
Sales	-	1,60,000
Stock on 1 <sup>st</sup> Jan. 2017	60,000	-
Sundry debtors	44,000	-
Sundry creditors	-	45,000
Interest received	-	3,000
Bills receivable	29,000	-
Rent	4,500	-
Commission	2,500	-
General expenses	8,000	-
Salaries	5,000	-
	<b>2,98,000</b>	<b>2,98,000</b>

**Adjustments :**

- a) Stock on 31<sup>st</sup> December 2017 ₹ 80,000
- b) Provide Interest on capital at 5% p.a.
- c) Outstanding wages ₹1,000
- d) Prepaid rent ₹1,000
- e) Depreciate business premises by 10% p.a.

OR



Enter the following transactions in the books of Mr. Sanath.

**2018**

- June 1 : Started business with cash ₹ 45,000  
" 2 : Bought machinery from Golden traders ₹ 4,000  
" 4 : Purchased goods from Akash ₹ 2,200  
" 5 : Sold goods to Bhavya ₹ 3,150  
" 7 : Returned goods to Akash ₹ 200  
" 8 : Purchased goods ₹ 1,300  
" 11 : Govt. charity ₹ 250  
" 13 : Opened a current account with SBI bank ₹ 8,000  
" 15 : Paid rent to Chirag ₹ 2,300  
" 18 : Borrowed loan from Daya ₹ 3,000  
" 21 : Received commission ₹ 900  
" 22 : Sold old machinery to Star Traders ₹ 300  
" 23 : Sold goods to Eshwar ₹ 450 for cash  
" 26 : Withdrew cash for household purpose ₹ 850  
" 29 : Received ₹ 1,400 from Bhavya.

3. Explain the developments in Human Resource Accounting and problems associated with putting human resources in the Balance Sheet.

OR

Explain the different accounting concepts.

**SECTION – B**  
**(5 Marks each)**

II. Answer **any six** questions.

**(5×6=30)**

- 1) What are the functions of Accounting ?
- 2) What are the objectives of Cash book ?



- 3) Explain the causes of depreciation.
- 4) Differentiate between Single Entry System and Double Entry System.
- 5) Prepare the Personal Account of Ms. Ananya.

**2018**

- July 2 : Credit balance b/d ₹50,000
- “ 10 : Purchased goods from Deeksha ₹13,000
- “ 20 : Returned goods worth ₹ 3,200 to Deeksha
- “ 24 : Sold goods to Deeksha ₹ 15,000
- “ 27 : Goods received worth ₹ 900 returned by Deeksha
- “ 28 : Received cash from her ₹ 2,000
- “ 31 : Paid Deeksha ₹ 47,200 discount allowed by her ₹ 500.
- 6) A Goodluck Ltd. Co. purchases a machine on 1<sup>st</sup> January 2012 at a cost of ₹ 3,20,000 and spends ₹ 20,000 on its installation. The firm writes off depreciation at 10% on the original cost every year. The books are closed on 31<sup>st</sup> December every year.  
Prepare Machinery A/c from 2012 – 2014 for 3 years.
- 7) Enter the following transactions in the purchases book.

**2018**

- July 4 : Purchased from Janatha Stores, Mangaluru  
100 bags of rice at ₹ 200 per bag  
15 bags of sugar at ₹ 800 per bag  
200 bags of wheat at ₹400 per bag  
Less : trade discount 10%.
- July 18 : Bought from Kalpana Stores, Shimoga  
50 bags of rice at ₹ 180 per bag  
70 bags of sugar at ₹ 600 per bag  
Less : trade discount 10%



July 31 : Bought from PQ Traders, Puttur  
 150 bags of rice at ₹ 190 per bag  
 20 bags of wheat at ₹ 380 per bag

8) From the following balances of Ledger Accounts, prepare a Trial Balance.

	₹
Buildings	32,000
Furniture	10,500
Bad debt	3,400
Cash in hand	2,200
Commission received	3,500
Purchases	52,000
Capital	38,800
Rent paid	4,800
Sales	54,000
Interest received	3,300
Purchases returns	8,300
Salaries	7,000
Bank overdraft	17,000
Creditors	27,000
Debtors	20,000
Drawings	10,000
Opening stock	10,000

SECTION – C

(3 Marks each)

III. Answer **any five** questions.

- 1) What are Accounting Standards ?
- 2) Explain the need for subsidiary books.
- 3) What are the methods of preparing Trial Balance ?

(3x5=15)

- 4) Write a note on final accounts of a sole trader.
- 5) Classify the following into three kinds of accounts.
- Patent A/c
  - Salary A/c
  - Prepaid Insurance A/c
  - Machinery A/c
  - SMK Traders A/c
  - Rent received in Advance A/c
- 6) On 1-1-2017, KLM Ltd. purchased a machine costing ₹ 9,00,000. Its life was estimated to be 15 years with a scrap value of ₹ 45,000. Calculate amount of depreciation to be provided each year.
- 7) The capital of the business is ₹ 4,80,000 and outside liabilities is ₹ 3,90,000. Calculate the total assets.

SECTION - D  
(One Mark each)

IV. Answer the following in **two** or **three** sentences.

- What is day book ?
- What is ledger ?
- What is meant by matching concept ?
- What is invoice ?
- State the debit and credit rule of Real Account.
- What is trading account ?
- What is meant by depreciation ?
- Give the meaning of contra entries.
- What is Trial Balance ?
- What is book keeping ?

(1×10=10)