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HRDHRC 205

**III Semester B.A. (HRD) Degree Examination,
October/November 2019**

(Credit Based Semester Scheme)

(Common to All Batches)

Basic Accounting

Time : 3 Hours]

[Max. Marks : 100

Note : An answers booklet containing 40 pages will be issued No additional sheets will be issued.

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SECTION - A

Answer the following (**15** marks each) :

(3 × 15 = 45)

1. (a) Enter the following in three column cash book of Kapikad.

2019

- Feb 1 Started business with Rs. 10,000 of his own and Rs. 2,000 borrowed from his friend Murthy
- “ 2 Paid into Bank Rs. 5,000
- “ 3 Transferred Rs. 1,000 from bank of business to his personal account
- “ 4 Bought stationery Rs. 1,085
- “ 6 Received commission from Surya Rs. 1,000
- “ 9 Mahesh directly paid into out Bank account Rs. 3,000
- “ 10 Paid Santhosh his dues by cheque Rs. 240 receiving the discount of Rs. 10
- “ 12 Our cheque to Santhosh returned dishonoured
- “ 15 Sold goods to Shankar for Rs. 8,000 and deposited Rs. 1,600 into Bank
- “ 16 Purchased goods work Rs. 500



- Feb 17 Bank paid directly Rs. 1,500 towards LIC premium of the proprietor
- “ 20 Cash purchases of Machinery Rs. 4,200
- “ 25 Bank charges debited to our account Rs. 10
- “ 27 Received cash from Amith Rs. 680 allowing the discount of Rs. 20

Or

- (b) Enter the following transactions in proper subsidiary books of Mr. Bojaraj.

2019

- Sept 1 Purchased goods from Varun Rs. 1,800
- “ 3 Sold goods to Akhil Rs. 2,000
- “ 4 Bought goods from Sunil Rs. 3,100
- “ 6 Akhil returned goods Rs. 200
- “ 7 Allowances claimed from Varun Rs. 50
- “ 8 Purchased goods from Shakthi Rs. 2,050
- “ 10 Sold goods to Chaithra Rs. 1,900
- “ 13 Returned goods to Shakthi Rs. 125
- “ 14 Sold goods to Lalith Rs. 2,000 less 10%
- “ 16 Allowed Chithra for damaged goods Rs. 60
- “ 18 Purchased goods from Alex Rs. 2,800, forwarding charges Rs. 200
- “ 21 Received goods returned by Lalith Rs. 90
- “ 24 Sold goods to Sanitari Rs. 2,700
- “ 27 Purchased goods from Heera Rs. 1,850
- “ 30 Returned goods to Alex Rs. 120

2. (a) From the following Trial Balance of Mr. Naveen on 31st December 2018 prepare Trading and Profit and Loss Account for the year ended 31st December 2018 and Balance Sheet on that date.



Particulars	Debit	Credit
Salaries	5,000	
Building	40,000	
Cash at Bank	10,000	
Cash in hand	5,000	
Productive wages	10,000	
Purchases	80,000	
Capital	-	90,000
Maintenance expenses	8,000	
Commission	2,500	
Rent	4,500	
Stock on 1.1.2018	60,000	
Sundry debtors	44,000	
Sundry creditors		45,000
Interest received		3,000
Bills Receivable	29,000	1,60,000
Sales		
	<u>2,98,000</u>	<u>2,98,000</u>

Adjustments :

- (i) Stock on 31st December 2018 Rs. 80,000.
- (ii) Provide Interest on capital 5% p.a.
- (iii) Depreciate Buildings by 10% p.a.
- (iv) Outstanding productive wages Rs. 1,000.
- (v) Prepaid rent Rs. 1,000.

Or

(b) Enter the following transactions in the books of Mr. Bolar.

2018

April 1 Commenced business with machinery Rs. 7,500,
furniture Rs. 1,000 and cash Rs. 9,000

“ 2 Keshav sold goods to business Rs. 1,000



- April 3 Paid Rs. 950 to Keshav who allowed a discount Rs. 50
- “ 5 Sold goods to Raman Rs. 2,000 less 5%
- “ 7 Received cheque from Raman for the goods sold on 5th June
- “ 9 Paid into bank cheque received from Raman
- “ 10 Bank charges charged by bank Rs. 25
- “ 12 Bank allowed interest on deposits Rs. 150
- “ 15 Charged commission to Krishna Rs. 200
- “ 17 Invested in National Savings certificate Rs. 1,000
- “ 19 Transferred from the bank account of business to the personal bank account of the proprietor Rs. 500
- “ 20 Loss of stock by fire Rs. 1,000
- “ 22 Stock taken over by the proprietor Rs. 400
- “ 23 Sold old machine for Rs. 3,000 to Mukesh on credit
- “ 25 Cash taken for personal use Rs. 500

3. (a) Explain the origin and development of accounting thoughts.

Or

(b) Explain the accounting concepts.

SECTION – B

Answer **any six** questions (5 marks each) :

(6 × 5 = 30)

- 4. Explain the objective and functions of accounting.
- 5. Explain the objectives and advantages of cash book.
- 6. Explain the causes of depreciation.
- 7. Differentiate between single entry system and Double entry system.
- 8. From the following information, show the account of Mahesh as it would appear in the ledger of Roopesh.

2018

- Jan 1 Credit Balance b/d Rs. 2,500
- “ 5 Bought goods from Rs. 650 Mahesh



- Jan 10 Returned goods worth Rs. 160 to Mahesh
- “ 12 Sold goods for Rs. 750 to Mahesh
- “ 15 Received goods returned by Mahesh value at Rs. 45
- “ 30 Purchased goods worth Rs. 20,000 at a discount of 10%
- “ 31 Paid Rs. 10,000 in cheque

9. M/S X and Co. purchased a machinery for Rs. 8,000 on 1.4.14. They spent RS. 3,500 on installation. Depreciation is written off at 10% p.a. on written down value. On 30.6.2017 the machinery was sold for Rs. 6,000. Prepare machinery a/c from 14 to 17 assuming that the accounts are closed on 31st Dec. every year.

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10. Enter the following in the Sales Book of Arjun.

2017

- Sept 1 Sold to Deepak agency 50 electric irons at Rs. 600 each and allowed a discount of 10%
- “ 6 Sold to Umesh 20 table fans at Rs. 700 each for cash
- “ 20 Sold on credit to Vinod 30 table lamps at Rs. 250 each less 20% discount. 5 electric stoves at Rs. 100 each less 10% discount packing charges Rs. 100
- “ 25 Varun brought from us 10 Room heaters at Rs. 1,900 each less 10%

11. From the following balances of ledger accounts. Prepare a Trial Balance of Vineeth.

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



SECTION - C

(5 × 3 = 15)

Answer **any five** questions (3 marks each) :

12. Write a note on Accounting Standards.
13. Explain the methods of preparing Trial Balance.
14. Explain the need for preparing day Book.
15. Write a note on final accounts of a sole trader.
16. Classify the following into three kinds of accounts.
 - (a) O/S Rent a/c
 - (b) Capital a/c
 - (c) Furniture a/c
 - (d) Commission a/c
 - (e) R.K. traders a/c
 - (f) Stationery a/c
17. On 1.1.2017 RK traders. Purchase a machine costing Rs. 8,00,000. Its life was estimated to be 4 years with a scrap value of Rs. 40,000. Calculate amount of depreciation to be provided each year.
18. The capital of the business is Rs. 5,00,000 and outside liabilities is Rs. 3,00,000. Calculate total assets.

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SECTION - D

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Answer the following in two or three sentences (1 mark each) :

(10 × 1 = 10)

19. (a) What is Accounting?
- (b) What is Invoice?
- (c) What is contra entry?
- (d) What is the journal entry for cash sales?
- (e) What is day book?
- (f) Who is a debtor?
- (g) What is dual aspect concept?
- (h) What is book-keeping?
- (i) What is cash book?
- (j) What is depreciation?