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**HRDHRC 231**

**III Semester B.A. (HRD) Examination, April 2021  
(Choice Based Credit System)  
(2020 – 21 Batch Onwards)  
BASIC ACCOUNTING**

Time : 3 Hours

Max. Marks : 120

**Instruction :** A single answer booklet containing **forty** pages will be issued. **No additional sheets are provided.**

**SECTION – A**

I. Answer **any** of the following questions.

**(3×20=60)**

1) Enter the following in three column cash book.

2020

June 1 Commenced business with Rs. 30,000

" 3 Purchased goods by cheque Rs. 2,000

" 5 Paid into Bank Rs. 5,000

" 8 Cash sales Rs. 600

" 10 Paid Rakesh Rs. 570 by cheque and he allowed discount of Rs. 30

" 12 Drew for office use Rs. 400

" 14 Paid wages Rs. 300

" 15 Cash withdrawn for personal use Rs. 350

" 20 Purchased machinery for Rs. 5,000 and paid by cheque

" 22 Received from Rajan Rs. 500

" 24 Received from Rashmi by cheque Rs. 2,200 in full settlement of her account of Rs. 2,500

" 25 Deposited the above cheque into bank

" 27 Sold goods to Sanjana for cash Rs. 10,000 and deposited Rs. 6,000 into bank.

" 28 Purchased goods from Revathi Rs. 300

**OR**

**P.T.O.**



Enter the following transactions in proper subsidiary books.

2020

- June 1 Purchased goods from Deepthy Rs. 2,000  
 " 3 Sold goods to Sanjana Rs. 800  
 " 4 Bought goods from Rashmi Rs. 500  
 " 6 Sold goods to Arun for cash Rs. 200  
 " 7 Sanjana returned goods Rs. 200  
 " 8 Allowance claimed from Deepthy for shortage Rs. 100  
 " 10 Bought goods from Rahim Rs. 500  
 " 11 Sold goods to Jyothi Rs. 900  
 " 14 Returned goods to Rahim Rs. 120  
 " 15 Allowed Jyothi for damaged goods Rs. 50  
 " 18 Purchased machinery from ABC Ltd. Rs. 2,000  
 " 20 Sold goods to Prajna Rs. 1,500 less 10%  
 " 24 Purchased goods from Maya Rs. 1,200 packing and delivery Rs. 100  
 " 25 Received goods returned by Prajna Rs. 50  
 " 26 Returned goods to Maya Rs. 150  
 " 28 Sold goods to Rajan Rs. 200  
 " 29 Sold goods to Abhay Rs. 500  
 Delivery and cartage Rs. 50

- 2) From the following Trial Balance of M/s Rama on 31<sup>st</sup> December 2020, prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2020 and Balance Sheet on that date.

Particulars	Debit	Credit
Furniture	4,000	—
Cash at bank	1,000	—
Cash in hand	500	—
Wages	1,000	—
Purchases	8,000	—
Capital	—	9,000
Sales	—	16,000
Stock on 1 <sup>st</sup> January 2020	6,000	—



Sundry debtors	4,400	-
Sundry creditors	-	4,500
Interest received	-	300
Bills receivable	2,900	-
Rent	450	-
Commission	250	-
General Expenses	800	-
Salaries	500	-
	<b>29,800</b>	<b>29,800</b>

**Adjustments :**

- a) Depreciate furniture by 10% p.a.
- b) Stock on 31<sup>st</sup> December 2020 Rs. 8,000
- c) Provide for interest on capital 5% p.a.
- d) Wages outstanding amounted to Rs. 100
- e) Rent prepaid Rs. 100.

OR

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

2020

- September 2 Commenced business with cash Rs. 1,00,000
- " 3 Purchased furniture from NS Traders Rs. 5,000
- " 4 Sold goods to Kumar Rs. 800
- " 5 Bought goods from Sanjay Rs. 350 for cash
- " 6 Received goods returned by Kumar Rs. 500
- " 7 Loss of goods by theft Rs. 500
- " 10 Gave charity Rs. 600
- " 13 Opened an account with bank Rs. 20,000
- " 14 Paid for travelling expenses Rs. 200
- " 16 Received Rs. 1,000 towards commission
- " 17 Paid rent Rs. 1,000
- " 18 Bank collected interest on investment Rs. 500
- " 19 Commission due to Mr. Prajna Rs. 300
- " 20 Received Rs. 800 from Mr. Akshith
- " 23 Borrowed loan from Mr. Apoorva Rs. 10,000
- " 26 Sold old furniture to KS Traders for Rs. 1,000



3) Explain the various accounting concepts.

OR

Explain the different methods of Human Resource Accounting.

SECTION – B

II. Answer **any six** of the following questions.

(6×6=36)

4) Explain in brief the functions of accounting.

5) Write a note on "Accounting Standards".

6) From the following information, show the account of Mahesh as it would appear in the ledger of Mr. Suresh.

2020

September	1	Credit Balance b/d	Rs. 5,000
"	5	Bought goods from Mahesh	Rs. 1,300
"	10	Returned goods for	Rs. 1,500 to Mahesh
"	15	Received goods returned by Mahesh	value at Rs. 90
"	30	Paid Mahesh	Rs. 4,520
		Discount allowed by him	Rs. 50.

7) What do you mean by ledger ? What are its features ?

8) State the advantages of cash book.

9) Explain in brief the importance of Human Resource Accounting.

10) Enter the following transactions in the sales book of Karan a provision merchant.

2020

June	1	Sold to Anand and Co., Bangalore	10 bags of rice at Rs. 600 per bag
"	5	Sold to Prabhu, Udupi, 10 bags of sugar	at Rs. 1,500 per bag less trade discount 2%
"	15	Sold to Jain, Mangalore, 10 bags of wheat	at Rs. 500 per bag
"	20	Sold to Singh, Punjab, 10 bags of groundnut	at Rs. 1,000 per bag less trade discount 5%
"	25	Sold to Ravi Hotel Ltd., Bangalore	10 bags of wheat flour at Rs. 2,000 per bag.

11) M/s A & B purchased a machinery for Rs. 80,000 on 1-4-2017. They spent Rs. 35,000 on installation. Depreciation is written off at 10% on the original cost. Prepare machine account from 2017 to 2020, assuming that it closed on 31<sup>st</sup> December every year.



SECTION – C

III. Answer **any four** of the following questions.

(4×3=12)

- 12) Explain the need for subsidiary books.
- 13) What are the methods of preparing Trial Balance ?
- 14) Write a note on final accounts of a sole trader.
- 15) Classify the following into three kinds of accounts :
  - a) Commission a/c
  - b) Mysore Silks Ltd.
  - c) Rent received
  - d) Machinery a/c
  - e) Patent a/c.
- 16) On 1-1-2020 a company bought a machine at a cost of Rs. 50,000. Its life was estimated to be 15 years, with a residual value of Rs. 12,500. Calculate amount of depreciation to be provided at the end of each year.
- 17) The capital of the business is Rs. 6,00,000 and outside liabilities is Rs. 5,00,000. Calculate total assets.

SECTION – D

IV. Answer the following questions.

(12×1=12)

- 18) a) What is Accounting ?
  - b) What is depreciation ?
  - c) What is trade discount ?
  - d) What is credit note ?
  - e) What is ledger folio ?
  - f) What is contra entry ?
  - g) What is trading account ?
  - h) Who is a debtor ?
  - i) What is Invoice ?
  - j) What is Journal ?
  - k) What is book keeping ?
  - l) What is day book ?