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**HRDHRC 231**



**Choice Based Credit System III Semester B.A. (HRD)  
Examination, April/May 2022  
(2020 – 21 Batch Onwards)  
BASIC ACCOUNTING (Group – I)**

Time : 3 Hours

Max. Marks : 120

**Instruction :** A single answer booklet containing 40 pages will be issued.  
No additional sheets are provided.

**SECTION – A**

I. Answer the following questions :

**(3x20=60)**

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

**2021**

- Sept. 1 : Commenced business with Rs. 50,000  
Sept. 3 : Paid into Bank Rs. 5,000  
Sept. 4 : Purchased goods paid by cheque Rs. 2,000  
Sept. 6 : Sold goods Rs. 1,500  
Sept. 8 : Bought furniture and paid by cheque Rs. 2,500  
Sept. 9 : Withdrew cash from office for personal use Rs. 900  
Sept.12 : Sold goods to Laxmi for cash Rs. 3,500 and deposited Rs. 1,500 into Bank  
Sept.15 : Received from Bhargavi by cheque Rs. 1,500 in full settlement of her account of Rs. 1,600  
Sept. 18 : Paid salary to clerk by cheque Rs. 3,000  
Sept.20 : Purchased stationery Rs. 200  
Sept. 21 : Paid Raju by cheque Rs. 3,000 and he allowed discount of Rs. 150  
Sept. 24 : Drew for office use Rs. 500  
Sept. 26 : Received commission from Ganesh Rs. 800 and deposited the same into Bank  
Sept. 29 : Interest allowed by bank on bank balance Rs. 300

OR

P.T.O.



Enter the following transaction in proper subsidiary books of Mr. Anand  
**2021**

- Oct. 1 : Purchased goods from Anil Rs. 2,800  
 Oct. 3 : Sold goods to Sunil Rs. 2,000  
 Oct. 5 : Bought goods from Anil Rs. 5,000  
 Oct. 6 : Sunil returned goods Rs. 100  
 Oct. 7 : Allowance claimed from Anil Rs. 50  
 Oct. 8 : Purchased goods from Shraddha Rs. 2,750  
 Oct. 9 : Sold goods to Chaithra Rs. 2,000  
 Oct. 12 : Returned goods to Shraddha Rs. 125  
 Oct. 14 : Sold goods to Mihir Rs. 1,500 less 10%  
 Oct. 18 : Allowed Chaithra for damaged goods Rs. 50  
 Oct. 19 : Purchased goods from Rohan Rs. 3,500, packing and delivery Rs. 200  
 Oct. 21 : Received goods returned by Mihir Rs. 80  
 Oct. 22 : Sold goods to Mayur Rs. 1,800  
 Oct. 27 : Purchased goods from Hari Rs. 1,850  
 Oct. 28 : Returned goods to Rohan Rs. 120

- 2) From the following Trial balance of Mr. Rithesh on 31<sup>st</sup> December 2021, prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2021 and Balance Sheet as on that date.

| Particulars     | Debit  | Credit   |
|-----------------|--------|----------|
| Capital         | —      | 80,000   |
| Bank overdraft  | —      | 9,600    |
| Creditors       | —      | 28,400   |
| Rent            | —      | 5,000    |
| Sales           | —      | 3,00,000 |
| Discount        | 3,200  | 4,000    |
| Drawings        | 20,000 | —        |
| Furniture       | 5,000  | —        |
| Buildings       | 40,000 | —        |
| Debtors         | 35,000 | —        |
| Stock on 1-1-21 | 50,000 | —        |



|                  |                 |                 |
|------------------|-----------------|-----------------|
| Returns          | 4,000           | —               |
| Discount         | 3,200           | —               |
| Insurance        | 4,000           | —               |
| General expenses | 8,000           | —               |
| Salaries         | 1,600           | —               |
| Commission       | 4,400           | —               |
| Bad debts        | 800             | —               |
| Purchases        | 2,47,800        | —               |
|                  | <b>4,27,000</b> | <b>4,27,000</b> |

**Adjustments :**

- 1) Stock on hand on 31-12-2021 Rs. 40,600
- 2) Depreciate buildings by Rs. 600 furnitures by 10%
- 3) Allow interest on capital at 5%
- 4) Make a reserve for doubtful debt at 5% on debtors
- 5) Prepaid insurance Rs. 1,500.

OR

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

**2021**

- Jan. 1 : Commenced business with cash Rs. 70,000 and furniture Rs. 8,000
- Jan. 3 : Purchased stationery Rs. 200
- Jan. 4 : Bought furniture from Adil Rs. 2,000
- Jan. 7 : Bought goods from Pavithra for cash Rs. 4,500
- Jan. 10 : Sold goods to Padma Rs. 1,500
- Jan. 12 : Paid salary Rs. 500
- Jan. 14 : Loss of goods by fire Rs. 1,500
- Jan. 15 : Cash sales Rs. 4,000
- Jan. 18 : Received rent from Manohar Rs. 1,500
- Jan. 19 : Sold furniture to Guru Prasad Rs. 1,500
- Jan. 22 : Paid for travelling expenses Rs. 300
- Jan. 26 : Borrowed loan from Sukesh Rs. 5,000
- Jan. 27 : Bought goods Rs. 6,000
- Jan. 28 : Withdrew cash from business for personal use Rs. 1,600
- Jan. 30 : Paid cash to Sumithra Rs. 2,300



3) Explain the accounting concepts.

OR

Explain the origin and development of accounting thoughts.

SECTION – B

(6×6=36)

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

- 1) What are Accounting Conventions ?
- 2) Explain the need for preparation of a day book.
- 3) What are the advantages of double entry system ?
- 4) Explain the objectives of cash book.
- 5) Explain the importance of Human Resource Accounting.
- 6) M/s Anugraha purchased a machinery for Rs. 5,00,000 on 1-1-2018. They spent Rs. 85,000 on installation. Depreciation is written off at 10% on original cost. Prepare the machinery account from 2018 to 2021 assuming that it closed on 31<sup>st</sup> December every year.
- 7) Prepare the Personal Account of Mr. Karan.

**2021**

- July 2 : Credit balance b/d Rs. 80,000  
 July 10 : Purchased goods from Laxmi Rs. 10,000  
 July 12 : Returned goods worth Rs. 2,000 to Laxmi  
 July 14 : Sold goods to Laxmi Rs. 15,000  
 July 25 : Goods received worth Rs. 1,500 returned by Laxmi  
 July 26 : Received cash from her Rs. 2,000  
 July 31 : Paid Laxmi Rs. 35,400 discount allowed by her Rs. 500

8) Enter the following transaction in sales book :

**2021**

- Feb. 1 : Sold to K.S. Traders Hubli  
 100 bags of rice at Rs. 500 per bag  
 150 bags of rice at Rs. 250 per bag  
 100 bags of rice at Rs. 300 per bag  
 Feb. 15 : Sold to G.P. Traders Tumkur  
 200 bags of rice at Rs. 520 per bag  
 50 bags of rice at Rs. 420 per bag  
 Feb. 27 : Sold to G.M. Traders Mangalore  
 8 bags of wheat at Rs. 500 per bag  
 20 bags of sugar at Rs. 920 per bag less trade discount 10%



SECTION – C

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

(4×3=12)

- 1) What are the methods of preparing Trial Balance ?
- 2) What are the steps in journalising a transaction ?
- 3) What are the causes of depreciation ?
- 4) The capital of the business is Rs. 12,00,000 and outside liability is Rs. 3,00,000. Calculate the total asset.
- 5) On 1-1-2021 Mangalore Ltd. purchased a machinery costing Rs. 11,00,000. Its life was estimated to be 12 years with a scrap value of Rs. 50,000. Calculate the amount of depreciation to be provided each year.
- 6) Classify the following into three kinds of accounts
  - a) Copyright A/c
  - b) Motor van A/c
  - c) XYZ company A/c
  - d) Wages A/c
  - e) Outstanding salary A/c
  - f) Purchases A/c

SECTION – D

IV. Answer the following questions :

(12×1=12)

- 1) What is trial balance ?
- 2) What is a ledger ?
- 3) State the debit and credit rule of Real Account.
- 4) Give the meaning of contra entries.
- 5) What is a day book ?
- 6) Who is a debtor ?
- 7) What is Balance Sheet ?
- 8) What do you mean by dual aspect concept ?
- 9) What are drawings ?
- 10) What is trade discount ?
- 11) What is credit note ?
- 12) What is invoice ?