

Reg. No.

--	--	--	--	--	--	--	--	--	--



**BBABMC 135**

**I Semester B.B.A Degree Examination, October/November 2019**

*(Choice Based Credit System)*

*(2019 Scheme)*

Shri Dharmasthala Manjunatheshwara  
College of Business Management Library  
MANGALORE - 575 003

**Accounting – I**

Time : 3 Hours]

[Max. Marks : 120

**Instructions :**

1. Show working notes wherever necessary.
2. Section A answer in not more than one page each.
3. Section B answer in not more than two pages each.

**SECTION – A**

Answer **any four** questions. Each carries 6 marks :

**(4 × 6 = 24)**

1. Define accounting. Explain its features.
2. What is a journal entry? Explain the steps in journalizing.
3. What is cash book? Explain briefly different types of cash book.
4. From the following particulars write an analytical petty cash book under the imprest system.

2019

- |       |                                 |
|-------|---------------------------------|
| Jan 1 | Received Rs. 500 for petty cash |
| 3     | Spent for postage Rs. 45        |
| 6     | Taxi hire for secretary Rs. 50  |
| 8     | Paid X & Co. Rs. 35             |
| 10    | Ink and stationery Rs. 85       |



2019

- Jun 11 Sent a telegram Rs. 10  
15 Entertainment expenses for visitors Rs. 63  
20 Paid for carriage Rs. 87  
26 Tips paid to peons on Republic day Rs. 55  
30 Paid telephone bill Rs. 40  
31 Paid Y and Co Rs. 20
- Feb 1 Imprest amount received from the cashier

5. From the following information show the account of Abhinandan as it would appear in the ledger of Mr. Kumaraswamy for March 2019.

2019

- Mar 1 Credit balance B/D Rs. 11,000  
3 Bought goods from Abhinandan Rs. 1,700  
5 Returned goods worth Rs. 480 to Abhinandan  
10 Sold goods for Rs. 1,700 to Abhinandan  
12 Received goods returned from Abhinandan valued at Rs. 110 and paid cash for the same.  
25 Paid Abhinandan Rs. 5,240, discount allowed by him Rs. 70

6. Rectify the following errors (before the preparation of Trial Balance) :

- (a) Amount of Rs. 2,000 spent on repairs of machinery has been wrongly debited to machinery account.  
(b) Furniture purchased for Rs. 10,000 has been wrongly debited to purchases account.  
(c) An amount of Rs. 2,000 received from Mrs. Vijaya has been credited to Mr. Vijaya's account.



- (d) Goods worth Rs. 4,000 returned by Ram. Gopal were passed through the returns outwards book.
  - (e) Salary of Rs. 6,000 paid to Appaji has been entered to his personal account.
  - (f) Sales book has been undercast by Rs. 800.
7. On 1<sup>st</sup> January 2019, Raghuram drew a bill on Rajaram for Rs. 15,000 for 3 months. Before a month of the due date, Rajaram retired his bill for which he was given a rebate of Rs. 300. Pass journal entries in the books of both the parties

Shri Dharmasthala Manjunatheshwara  
College of Business Management Library  
MANGALORE - 575 003

**SECTION - B**

Answer **any four** questions. Each question carries **12** marks.

**(4 × 12 = 48)**

- 8. Define single entry system of accounting. Explain the features of single entry system.
- 9. Which purchases and sales are entered in the purchases book and sales book?

Can the following credit purchases by a cloth merchant be entered in his purchases book? If not, why?

- (a) Bales of cloth
  - (b) Office furniture
  - (c) Stationery
10. State the various causes responsible for the disagreement between bank balance as per cash book and bank balance as per pass book.



11. A second hand machine was purchased on 1.1.2016 for Rs. 3,00,000 and repair charges amounted to Rs. 60,000. It was installed at a cost of Rs. 40,000.

On 1<sup>st</sup> July 2017, another machine was purchased for Rs. 2,60,000

On 1<sup>st</sup> July 2018, the first machine was sold for Rs. 3,00,000. On the same day one more machine was bought for Rs. 2,50,000.

On 31.12.18, the machine bought on 1<sup>st</sup> July 2017 was sold for Rs. 2,30,000. Accounts are closed every year on 31<sup>st</sup> December. Depreciation is written off at 15% per annum on the straight line method.

Prepare the machinery account for three years ending 31.12.18.

12. Prepare a bank reconciliation statement from the following particulars :

- (a) Bank overdraft as per cash book Rs. 8,000.
- (b) Cheque deposited into bank, but no entry was passed in cash book Rs. 300.
- (c) Cheque received, but not sent to bank Rs. 1,000.
- (d) Credit side of bank column cost sheet Rs. 100.
- (e) Insurance premium paid directly by bank under standing advice Rs. 500.
- (f) Bank charges entered in cash book twice Rs. 10.
- (g) Cheques returned back, but no entry passed. Rs. 400.
- (h) Cheques 'issued' returned back on account of technical ground Rs. 300.
- (i) Bills directly collected by bank Rs. 2,000.
- (j) Bank charges debited by bank Rs. 12.
- (k) Cheques received entered twice Rs. 500
- (l) Bills discounted dishonoured Rs. 4,000.



13. Enter the following transactions in the sales book and post them to ledger.  
2019
- April 4 Sold to M/s Rai & Rai Mangalore 100 copies of advanced accountancy at Rs. 300 each  
100 copies of principles of Economics at Rs. 200 each  
Packing and delivery Rs. 200
- 8 Sold to M/s School Book Mangalore 50 copies of banking theory and practice at Rs. 100 each
- 15 Sold to Bharath Books, Mangalore 20 copies of banking law at Rs. 100 each 10 copies of organizational behavior at Rs. 150 each
14. On 1<sup>st</sup> May 2018, Abdul drew a 2 months bill on Binod for Rs. 5,000. After acceptance, both the bill was endorsed over to Charlie. The bill was dishonoured on the due date. Noting charges incurred by Charlie amounted to Rs. 100. The bill was taken up by Abdul and cash paid to Charlie. Pass the journal entries in the books of all the parties.

SECTION - C

Answer **any two** questions. Each question carries **24** marks :

(2 × 24 = 48)

15. Journalise the following transactions in the books of Hiremagalur Hemanth Hegde.

2019

- April 1 Started business with cash Rs. 10,000
- 4 Purchased goods for Rs. 2,000
- 6 Bought stationery for Rs. 400
- 7 Purchased furniture Rs. 600
- 8 Sold goods for cash Rs. 8,000
- 10 Borrowed loan from Krishna Rs. 500
- 11 Purchased goods from Narahari for cash Rs. 2,000
- 14 Sold goods to Udaya for cash Rs. 600

Sri Dharmasthala Manjunatheswara  
College of Business Management Library  
MANGALORE - 575 003



2019

- April 18 Purchased a building from Satish for Rs. 20,000
- 20 Returned damaged goods to Narahari Rs. 400
- 24 Paid Rs. 20,000 to Satish in settlement of his account
- 26 Received order from Nagaraj for goods Rs. 6,000
- 28 Repaid Krishna's loan
- 29 Paid rent Rs. 600
- 30 Udaya returned goods Rs. 100
- Paid commission to salesman Rs. 200
- Received interest Rs. 150

16. Enter the following transactions in a three column cash book.

2019

- July 1 Commenced business with Rs. 16,000
- 2 Paid into bank Rs. 14,500
- 10 Bought goods for Rs. 3,850 and paid by cheque
- 15 Sold goods for cash Rs. 2,600 and deposited the same into bank
- 16 Bought goods for Rs. 4,850 and paid by cheque
- 20 Bought stationery for Rs. 185
- 22 Received cash from Kusuma for Rs. 680 allowed her discount of Rs. 20
- 24 Paid Yashoda towards her dues Rs. 240 and received a discount of Rs. 10
- 25 Paid Bhaskar by cheque Rs. 480
- 26 Sold goods for cash Rs. 585 and remitted the same into bank
- 28 Our cheque to Bhaskar returned dishonoured
- 31 Drew cheque for salary Rs. 2,365
- 31 Drew cheque for personal use Rs. 100



17. On 1.1.2019 A draws on B who is his debtor for Rs. 60,000 three bills of exchange, the first for Rs. 20,000 at one month, the second for Rs. 30,000 at two months and the third for Rs. 10,000 at three months. B accepts the bills and returns them to A. The first bill is endorsed by A to his creditor C. The second bill is discounted by A with his banker for Rs. 29,600 on 10<sup>th</sup> January 2019. The first and third bills were duly met. The second bill was dishonoured and 'A' drew on 'B' fourth bill for Rs. 30,500 at three months. The fourth bill was met on due date.  
Give necessary journal entries in the books of A and B.

18. From the following particulars prepare trading and profit and loss account and balance sheet of Moodushedde Madhusudana Mallya as on 31<sup>st</sup> December 2018.

Trial Balance as on 31.12.2018

	Rs.	Rs.
Stock	80,000	
Building	1,20,000	
Debtors	85,000	
Machinery	50,000	
Drawings	20,000	
Purchases	4,50,000	
Insurance	7,500	
Trade expenses	18,000	
Sales returns	3,000	
Salaries	41,000	
Carriage inwards	6,250	
Bad debts	1,500	
Bills receivables	22,500	
Cash	7,000	
Bank loan		22,000

Shri Dharmasthala Manjunatheswara  
College of Business Management Library  
MANGALORE - 575 003



	Rs.	Rs.
Creditors		58,000
Capital		1,60,000
Sales		6,50,000
Purchase returns		4,000
Discount received		2,000
Commission received		3,750
Provision for bad debts		2,000
Bills payable		10,000
	9,11,750	9,11,750

Adjustments :

- (a) Closing stock Rs. 60,000
- (b) Outstanding salaries Rs. 4,000
- (c) Prepaid insurance Rs. 750
- (d) Depreciation : building at 2% p.a. and machinery at 10% p.a.
- (e) Make a provision of 5% on debtors for bad debts.