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HRDHRC 205

Credit Based III Semester B.A. (HRD) Degree Examination,  
Oct./Nov. 2016

(New Syllabus) (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)

(15×3=45)

I. Answer the following :

1) Enter the following transactions in a Three Column Cash Book.

2016

- June 1 Commenced business with ₹ 55,000  
" 2 Paid into bank ₹ 25,000  
" 4 Purchased goods ₹ 2,000 and paid by cheque  
" 6 Bought furniture ₹ 3,000  
" 8 Received cheque from Anurag ₹ 2,000 in full settlement of ₹ 2,100  
" 11 Cash sales ₹ 3,000 and out of it ₹ 1,000 is deposited into bank  
" 12 Paid to Anup ₹ 1,500 in full settlement of ₹ 1,600  
" 15 Paid salary to a manager by cheque ₹ 3,000  
" 20 Withdrew from bank for personal use ₹ 550  
" 22 Sold goods to Akhil for cash ₹ 560  
" 24 Received cheque from Apoorva ₹ 660

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- " 25 Bank charges debited by bank ₹ 60
- " 26 Bought stationery ₹ 220
- " 28 Drew for office use ₹ 2,000

OR

Enter the following transactions in proper Subsidiary Books of Mr. Sandeep.

2016

- Sept. 1 Purchased goods from Srajan ₹ 2,000
- " 2 Sold goods to Sagar ₹ 1,700
- " 4 Returned goods to Srajan ₹ 20
- " 5 Bought goods from Sugam ₹ 1,600
- " 6 Allowance granted to Sagar ₹ 30
- " 8 Sold goods to Satya ₹ 2,100
- " 9 Purchased goods from Sowmya ₹ 1,750
- " 10 Allowance claimed from Sugam ₹ 60
- " 12 Sold goods to Sampath ₹ 2,500, Less 5%
- " 14 Returned goods by Satya ₹ 40
- " 16 Sold goods to Sanjana ₹ 1,800 Delivery and Cartage ₹ 60
- " 18 Purchased goods from Sanju ₹ 2,050
- " 21 Allowed Sampath for damaged goods ₹ 30
- " 23 Sold goods to Sumana ₹ 1,910
- " 30 Returned goods to Sanju ₹ 25

- 2) From the following Trial Balance of Dundappa, prepare a Trading and Profit and Loss Account for the year ending 31-12-2015 and a Balance Sheet as on that date.

	₹		₹
Cash	3,170	Sales	98,780
Purchase	40,675	Returns	500
Returns	680	Capital	71,000



Wages	10,480	Creditors	6,300
Fuel	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Opening stock	5,760		
Building	30,000		
Land	10,000		
Plant	20,000		
Patents	7,500		
Salaries	15,000		
Miscellaneous expenses	3,000		
Insurance	600		
Drawings	5,245		
Debtors	14,500		
	<b>1,76,580</b>		<b>1,76,580</b>

**Adjustments :**

- a) Closing stock ₹ 6,800
- b) Outstanding salary ₹ 1,500
- c) Prepaid insurance ₹ 150
- d) Provide 5% for doubtful debts
- e) Depreciate plants and patents by 10% and 20 % respectively.

OR

Journalise the following transactions in the books of Savitha.

2016

- July 1 Commenced business with cash ₹ 50,000, furniture ₹ 6,000
- " 3 Deposited into bank ₹ 5,000
- " 5 Purchased goods from Pavithra ₹ 4,500



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- " 7 Paid travelling expenses ₹ 150  
 " 9 Returned goods to Pavithra ₹ 250  
 " 11 Bought machinery ₹ 7,000  
 " 15 Dividend received ₹ 250  
 " 17 Withdrew cash from office for personal use ₹ 400  
 " 20 Cash sales ₹ 500  
 " 22 Paid salary to an accountant ₹ 4,000  
 " 23 Received an amount of ₹ 7,000 from Revathi as loan  
 " 25 Sold furniture to Ragini ₹ 500  
 " 27 Paid wages ₹ 300  
 " 29 Cash purchases ₹ 350  
 " 30 Paid rent to Rakesh ₹ 1,800

3) Explain the different accounting concepts.

OR

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

SECTION – B  
(5 marks each)

(5×6=30)

II. Answer **any six** questions :

- 1) Write a note on final accounts of a sole trader.
- 2) What are the accounting conventions ?
- 3) Explain the features of accounting
- 4) What are the advantages of double entry system ?
- 5) Prepare the Personal Account of Manasa from the following and Balance the same.

2016

- June 1 Credit balance b/d ₹ 2,000  
 " 5 Sold goods to her ₹ 1,500  
 " 8 Purchased goods from her ₹ 3,000

- " 11 Returned goods to her ₹ 200  
 " 17 She returned goods ₹ 350  
 " 20 Paid cash to her ₹ 2,200  
 " 26 Received cash from her ₹ 1,000

6) Western Ltd. Co. acquired a machine on 1<sup>st</sup> Jan. 2013 at a cost of ₹ 4,80,000 and spent ₹ 20,000 on its installation. The company writes off depreciation at 10% on original cost per annum. The books are closed on 31<sup>st</sup> December every year.

Prepare Machinery A/c from 2013-2015 for 3 years.

7) Enter the following transactions in the Purchases Book.

2016

- June 1 Bought from Bharath, Bengaluru 3 colour Televisions at ₹ 40,000 each.  
 20 Radios at ₹ 2,000 each. 10 DVD players at ₹ 3,500 each  
 " 6 Bought from Manjunath, Mysore, 5 washing machines at ₹ 14,000 each.  
 6 Refrigerators at ₹ 12,250 each  
 " 28 Bought from Tilak, Tumkur  
 150 Calculators at ₹ 120 each, less 10% discount

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8) From the following balances of ledger accounts, prepare a Trial Balance.

	₹
Capital	40,000
Building	33,200
Machinery	8,500
Bad debt	1,400
Salaries	5,000
Cash in hand	1,200
Discount Received	2,500
Bank loan	5,000



Purchases	50,000
Furniture	2,800
Sales	52,000
Debtors	30,000
Interest Received	1,300
Purchases Returns	6,300
Creditors	25,000

SECTION – C  
(3 marks each)

(3×5=15)

III. Answer **any five** questions :

- 1) State the features of Trial Balance.
- 2) What are accounting standards ?
- 3) What are the steps in journalising ?
- 4) What are the objectives of accounting ?
- 5) Classify the following into three kinds of accounts.
  - a) Furniture A/c.
  - b) Patent A/c.
  - c) Outstanding Rent A/c.
  - d) Interest A/c.
  - e) Prepaid Insurance A/c.
  - f) Pretige Co. Ltd. A/c.
- 6) On 01-01-2015, Pragathi Ltd. purchased a machinery costing ₹ 9,00,000. Its life was estimated to be 7 years with a scrap value of ₹ 11,000. Calculate amount of depreciation to be provided each year.
- 7) If the capital of the business is ₹ 8,20,000, total assets of the business is ₹ 15,00,000. Calculate outside liabilities.



SECTION – D  
(One mark each)

(1×10=10)

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

- a) What are drawings ?
  - b) What is convention of conservatism ?
  - c) Mention the debit and credit rule of Personal A/c.
  - d) What are contra entries ?
  - e) What is matching concept ?
  - f) What is ledger ?
  - g) What is narration ?
  - h) Expand GAAP.
  - i) What is Balance Sheet ?
  - j) What do you mean by subsidiary books ?
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