

Reg. No.

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

BBMBMC 105

**Credit Based First Semester B.B.M. Degree Examination, Oct./Nov. 2012
(2012-13 Batch Scheme) (New Syllabus)**

ACCOUNTING – I

Time : 3 Hours

Max. Marks : 80

Note : A single answer booklet containing 40 pages will be issued.

No additional sheets will be issued.

Instruction : Show working notes wherever necessary.

**SECTION – A
(one mark each)**

(1×10=10)

1. Answer **any ten** of the following questions in **1 or 2 sentences each** :
- Why journal is called a book of original entry ?
 - If capital of a business is ₹ 70,000 and liabilities are ₹ 40,000, calculate the total assets of the business by accounting equation.
 - Who is a creditor ?
 - Which purchases and sales are entered in sales book and purchases book ?
 - What is contra entry ?
 - Give the meaning of bills payable book.
 - Define depreciation.
 - What is a suspense account ?
 - What is one sided error ?
 - What are intangible assets ?
 - How do you treat goods destroyed by fire in final accounts ?
 - What do you mean by computerised accounting system ?

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

**SECTION – B
(5 marks each)**

(5×5=25)

Answer **any five** of the following :

- Explain in brief any five accounting concepts.
- Describe the classification of errors on the basis of their nature.
- A company took on lease a property on January 2007 for a term of five years by payment of ₹ 1,25,000. It is proposed to depreciate the lease by Annuity Method charging 5% interest. Assuming the annuity of ₹ 1 for 5 years at 5% to be 0.230975, show the Lease Account for five years.
- The following transactions took place with Ankur. Write out Ankur's Account and balance it.

2012

July	1	Sold him goods invoiced at ₹ 1,000
"	12	He returned goods worth ₹ 200
"	15	Received cash from him ₹ 750 and discount allowed ₹ 50
"	20	Sold him goods invoiced at ₹ 1,200
"	25	Received cheque for ₹ 700

P.T.O.



6. Pass necessary journal entries to rectify the following errors :

- i) A credit purchase of goods ₹ 1,000 from Rajmohan and Co. was wrongly entered in sales book.
- ii) A credit sale worth ₹ 1,500 to Mr. Gururaja was wrongly entered in the purchases book.
- iii) Sales return from Kailas of ₹ 100 was wrongly entered in sales book.
- iv) A credit purchase of goods worth ₹ 200 from Kailashnath was wrongly entered in purchases returns book.
- v) Purchases returns to Rajkumar and Co. of ₹ 150 was wrongly entered in purchases book.

7. Enter the following transactions in the purchase book of Mr. Gunashekara :

2012		
April	1	Bought from Canara Stores Mangalore 100 bags of rice at ₹ 500 per bag 50 bags of sugar at ₹ 800 per bag 200 bags of wheat at ₹ 200 per bag Less : trade discount at 10%
"	15	Bought from Coimbatore Stores, Coimbatore 100 bags of Dal at ₹ 600 per bag 100 bags of soji at ₹ 700 per bag
"	30	Bought from Bhadravathi Stores Shimoga 200 bags of gram at ₹ 600 per bag Less : trade discount at 10%

8. Enter the following transactions in Analytical Petty Cash Book under the Imprest System

2012		
January	1	Received a cheque for ₹ 450 to begin with
"	2	Spent for postage ₹ 30
"	4	Paid travelling expenses of manager ₹ 45
"	5	Paid for office cleaning ₹ 39
"	7	Paid cartage ₹ 33
"	10	Paid for telegram ₹ 42
"	13	Tea to customers ₹ 48
"	15	Paid wages ₹ 36
"	19	Purchased stationery ₹ 42
"	24	Bought postage stamps ₹ 48
"	27	Trunk call bill ₹ 27

SECTION - C
(15 marks each)

(15×3=45)

Answer any three :

9. Journalise the following transactions in the books of Mahaveera Adhikari

2012		
July	1	Commenced business with cash ₹ 10,000
"	2	Purchased goods from 'X' ₹ 2,000

"	3	Purchased goods from 'Y' for cash ₹ 1,000
"	5	Paid cash to 'X' on account ₹ 800
"	7	Returned goods to 'M' ₹ 100
"	8	Purchased furniture worth ₹ 3,000
"	10	Sold goods to A ₹ 900
"	12	Mr. A returned goods worth ₹ 50
"	13	Paid salary ₹ 700 to an accountant
"	14	Paid Tulasian, landlord, rent of the building ₹ 1,500
"	16	Purchased stationery ₹ 200
"	18	Paid for advertisement ₹ 1,200
"	19	Received ₹ 1,000 from Ashoka on account
"	22	Received dividend on shares ₹ 30
"	29	Withdrew cash from office ₹ 1,000 for meeting personal expenses

10. Enter the following transactions in Three Column Cash Book of Nadimane Narayana Nayak :

2012

April	1	Commenced business with ₹ 10,000 in cash
"	2	Opened a bank account with ₹ 8,000
"	3	Arun paid ₹ 490 in full settlement of his account for ₹ 500
"	5	Bought goods for cash ₹ 1,500
"	8	Drew a cheque for personal use ₹ 200
"	10	Drew from bank for office use ₹ 1,000
"	12	Bought goods for ₹ 1,500 and paid by cheque immediately
"	15	Received for cash sales ₹ 1,000
"	16	Received a cheque from Bharath for ₹ 500
"	17	Paid Bharath's cheque into bank
"	20	Paid salaries by cheque ₹ 500
"	23	Nataraja directly paid into our bank account ₹ 1,000
"	24	Paid Niharika ₹ 495 in full settlement of ₹ 500
"	26	Received commission ₹ 100
"	27	Cash withdrawn for personal use ₹ 100
"	30	Sold goods for cash ₹ 600 and remitted the same into bank.

11. Prepare a Bank Reconciliation Statement in the books of Sushantha Sharma as on 31st August 2012

	₹
1) Bank balance as per cash book	8,000
2) Cheques deposited into bank, but no entry was passed in cash book	300
3) Cheques received, but not sent to bank	1,000
4) Credit side of bank column cost short	100
5) Insurance premium paid directly by bank under standing advice	500



HH 3A

- | | |
|---|-------|
| 6) Bank charges entered in cash book twice | 10 |
| 7) Cheques returned back, but no entry passed | 400 |
| 8) Cheques issued returned back on account of technical grounds | 300 |
| 9) Bills directly collected by bank | 2,000 |
| 10) Cheques received entered twice | 500 |
12. The following is the trial balance of Sri Sudarshan, as on 31-12-2011, you are requested to prepare the Trading and Profit and Loss Account for the year ended 31-12-2011 and Balance Sheet as at that date after taking into account the adjustments given below :

	₹	₹
Sudarshan's capital		83,000
Sudarshan's drawings	2,000	
Buildings	20,000	
Machinery	10,000	
Purchases and sales	1,10,000	1,80,000
Returns	5,000	2,000
Discount	2,500	1,500
Debtors and creditors	80,000	40,000
Advertising	3,200	
Wages	18,000	
Carriage inwards	1,500	
Salaries	20,000	
Office rent	3,000	
Postage and telegrams	1,600	
Interest on investment		500
Investments	10,000	
Cash in hand	7,500	
Cash at bank	10,000	
Stock on 1-1-2011	10,000	
Bills payable		6,500
Bills receivable	1,000	
Commission received		1,800
	3,15,300	3,15,300

Adjustments :

- 1) Goods worth ₹ 100 were used for personal use.
- 2) Make provision for bad and doubtful debts on debtors at 5%
- 3) Depreciate machinery at 5% and building at 2%
- 4) Closing stock on 31-12-2012 was valued at ₹ 25,000