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BBMBMC 105

**Credit Based First Semester B.B.M. Degree
Examination, November/December 2015
(2012 Scheme)
ACCOUNTING – I**

Time : 3 Hours

Max. Marks : 80

- Note :** i) A single answer booklet containing **40 pages** will be issued.
No additional sheets will be issued.
ii) Show working notes **wherever necessary.**

**SECTION – A
(One Mark each)**

1. Answer **any ten** of the following questions in **one or two sentences each** : (1×10=10)
- What is narration ?
 - Give any two examples for Real Account.
 - Mr. Razak has cash ₹ 10,000, Bank balance ₹ 8,000 and Machinery ₹ 20,000 and Bills Payable ₹ 9,000. Find out his capital.
 - What is the nature of Cash Book ?
 - Define Accounting.
 - What is Ledger Folio ?
 - State any two causes of depreciation.
 - What is trial balance ?
 - What is an error of principle ?
 - What is Net Loss ?
 - What do you mean by outstanding expenses ?
 - What are intangible assets ?

P.T.O.



SECTION – B
(Five Marks each)

Answer **any five** of the following :

(5×5=25)

2. Explain the different Accounting Conventions.
3. What are the causes for differences between Cash Book and Pass Book balances ?
4. Rectify the following errors :
 - a) A credit sale of ₹ 7,000 to Shyam has been omitted to be entered in sales book.
 - b) The sales day book is undercast by ₹ 800.
 - c) A sum of ₹ 2,000 received from Salem have been credited to Sharma's account.
 - d) Salary of ₹ 1,500 paid to Goyal have been debited to his personal account.
 - e) Goods worth ₹ 150 returned by George has not been recorded anywhere.
5. On 1st January 2012, a firm purchased furniture at a cost of ₹ 30,000. Its life was estimated to be 3 years with a residual value of ₹ 3,000. Assuming that the furniture was sold for ₹ 3,000 at the end of 3 years, show the furniture account for 3 years allowing depreciation as per fixed instalment method.
6. From the following particulars write an analytical petty cash book on the imprest system :

01.06.2015 Received a cheque for ₹ 250 to begin with

03.06.2015 Spent for postage ₹ 15

04.06.2015 Taxi hire for secretary ₹ 25

10.06.2015 Ink and Stationery ₹ 30

11.06.2015 Sent a Telegram ₹ 19

- 15.06.2015 Entertainment Expenses for visitors ₹ 27
- 20.06.2015 Paid for carriage ₹ 28
- 25.06.2015 Tips paid to peon on Republic day ₹ 15
- 30.06.2015 Paid Telephone Bill ₹ 10.

7. Enter the following transactions in the purchase book of Radha for the month of July 2015 :

July 01 Bought from Aravind 10 boxes of lux soap at ₹ 150 per box at a discount of 20%.

July 08 Purchased from Bharath and Company 5 boxes of detergent powder at ₹ 60 per box.

July 19 Bought from Chandra 120 pieces of pears soap at ₹ 8 per piece less discount 20%.

July 25 Purchased 12 cases of washing powder at ₹ 60 per case from Das.

8. From the following balances, prepare a Trial Balance :

Particulars	₹
Buildings	3,00,000
Machinery	85,000
Bills receivables	14,000
Bills payable	13,000
Cash	2,000
Discount Received	15,000
Bank overdraft	50,000
Creditors	2,50,000
Purchases	5,00,000



Capital	3,68,000
Fixtures	28,000
Sales	5,20,000
Debtors	3,00,000
Interest (received)	13,000

SECTION – C
(Fifteen Marks each)

Answer **any three** of the following :

(15×3=45)

9. From the Trial Balance and other particulars given below, you are required to prepare Trading and Profit and Loss Account for the year ending 31-03-2015 and Balance Sheet as on that date :

Particulars	Dr. (₹)	Cr. (₹)
Capital and drawings	6,820	93,230
Purchases and sales	83,290	1,26,177
Debtors and creditors	47,800	22,680
Returns	7,422	3,172
Wages	9,915	
Manufacturing Expenses	2,500	
Stock on 01-04-2014	21,725	
Factory fuel and power	542	
Office salaries	3,745	
Factory lighting	392	
Carriage inward	897	



Carriage outwards	960	
Plant and Machinery	55,000	
Fixture and fitting	1,720	
Bills payable		6,422
Travelling expenses	925	
Cash in hand	68	
Cash at bank	2,425	
Rent and Taxes	1,765	
Office expenses	2,778	
Discount allowed	422	
Insurance	570	
	2,51,681	2,51,681

Adjustments :

- i) Stock on 31.03.2015 ₹ 16,580.
 - ii) Insurance prepaid ₹ 70.
 - iii) Wages outstanding ₹ 800, Salaries outstanding ₹ 350 and Rent outstanding ₹ 150.
 - iv) Depreciate Plant and Machinery by 5% and Fixtures and fitting by 10%.
10. Prepare the Bank Reconciliation Statement as on 30th April, 2015 :
- Nagesh's bank balance as per cash book ₹ 20,000.
 - Cheques issued but not paid ₹ 3,000.
 - Cheques deposited but not collected ₹ 5,000.
 - Cheques collected and credited in pass book only ₹ 1,000.



Interest on fixed deposit entered in pass book only ₹ 200.

Bank charges debited in pass book only ₹ 100.

Cheque received entered in cash book but omitted to be banked ₹ 80.

Bankers collected ₹ 400 as dividend on his shares but it was not entered in the cash book.

Cheques issued to Geetha but not presented for payment prior to 30th April, 2015, ₹ 3,000.

Cheque deposited into bank on 25th April, 2015 but cleared in 4th May, 2015 ₹ 5,000.

Bank had paid LIC premium of ₹ 250 which was not recorded in the cash book.

11. Enter the following transactions in the three-column cash book of Mr. Pavan :

- | | |
|------------|---|
| 01.05.2015 | Cash balance ₹ 3,500 and Bank balance ₹ 7,500. |
| 02.05.2015 | Sold goods to Mr. Ram for cash ₹ 30,000. |
| 03.05.2015 | Amount collected from Mrs. Prajna ₹ 4,000 by cheque and allowed discount ₹ 100. |
| 04.05.2015 | Purchased stationery for cash ₹ 300. |
| 06.05.2015 | Sold goods to Mrs. Pallavi for cash ₹ 14,000. |
| 10.05.2015 | Received from Mrs. Pavitra ₹ 3,000 by cheque. |
| 11.05.2015 | Paid to Mr. Abhishek by cheque ₹ 3,600 and received discount ₹ 100. |
| 14.05.2015 | Drew from bank for office use ₹ 1,500. |
| 18.05.2015 | Dividend received by cheque ₹ 400 and deposited into bank. |
| 20.05.2015 | Paid Mr. Pareesh ₹ 1,500 by cheque and discount received ₹ 100. |



- 24.05.2015 Purchased Furniture for cash ₹ 35,000.
- 27.05.2015 Purchased goods for cash ₹ 1,000.
- 28.05.2015 Drew a cheque for personal use ₹ 500.
- 30.05.2015 Paid office salaries by cheque ₹ 5,000.
- 30.05.2015 Purchased goods for ₹ 2,000 and paid by cheque.

12. Journalise the following transactions in the books of Mrs. Geetha :

- 01.07.2015 Commenced business with ₹ 2,00,000.
 - 03.07.2015 Opened SB A/c with Vijaya Bank ₹ 50,000.
 - 06.07.2015 Sold goods to Pranay on Credit ₹ 13,000.
 - 08.07.2015 Bought goods on credit from Praveen ₹ 10,000.
 - 10.07.2015 Paid Travelling expenses ₹ 400.
 - 12.07.2015 Received an amount of ₹ 25,000 from Ganapa as loan.
 - 15.07.2015 Returned goods to Praveen ₹ 1,500.
 - 18.07.2015 Received commission from Pavitra ₹ 3,500.
 - 22.07.2015 Bought furniture worth ₹ 7,500.
 - 23.07.2015 Sold goods to Bhat ₹ 4,000.
 - 25.07.2015 Paid carriage ₹ 150
 - 26.07.2015 Paid salary to manager ₹ 15,000.
 - 27.07.2015 Withdrew cash from office for personal use ₹ 5,000.
 - 30.07.2015 Sold goods ₹ 4,000 and bought goods ₹ 6,000.
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