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BBABMC 105/BBMBMC 105

**Credit Based First Semester B.B.A./B.B.M. Degree
Examination, Oct./Nov. 2017
(2012 Scheme)
ACCOUNTING – I**

Time : 3 Hours

Max. Marks : 80

Instruction : 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)**

- a) What is journal ?
- b) What is posting ?
- c) Give the meaning of Accounting Standards.
- d) In which subsidiary Book do you record the following items ?
 - i) Interest on capital
 - ii) Withdrawal for office use.
- e) Give the meaning of Bills Receivable Book.
- f) Which balance does the bank overdraft account show in your books ?
- g) How do you calculate depreciation under straight line method ?
- h) Mention any two objectives of preparing Trial Balance.
- i) What is meant by compensating error ?
- j) Name the methods of arranging assets and liabilities in the Balance Sheet.
- k) Give two examples for current assets.
- l) Define Balance Sheet.



SECTION – B
(Five marks each)

Answer **any five** of the following :

(5×5=25)

2. What is Bank Reconciliation Statement ? State any four important causes for difference between cash book and pass book balances.
3. Explain the different accounting conventions.
4. Rectify the following errors through means of Journal Entries assuming that Suspense Account was opened :
 - a) The purchase book was undercost by ₹ 200.
 - b) ₹ 150 paid for interest was posted twice to Interest Account.
 - c) The discount column on the credit side of the cash book was overcost by ₹ 50.
 - d) ₹ 500 paid for repairs to building was wrongly posted to Building Account.
 - e) Purchase of furniture ₹ 1,000 for private use of the proprietor was wrongly debited to Furniture Account.
5. From the following information, show the Account of Ramesh as it would appear in the Ledger of Mahesh :

2017

Sept. 1	Credit balance b/d ₹ 5,000
" 5	Bought goods from Ramesh ₹ 1,300
" 10	Returned goods worth ₹ 320 to Ramesh
" 12	Sold goods for ₹ 1,500 to Ramesh
" 15	Received goods returned by Ramesh ₹ 90
" 30	Paid Ramesh ₹ 4,560, discount allowed by him ₹ 50.

6. Enter the following transactions in an analytical Petty Cash Book under the imprest system :

2017

Jan. 1	Received ₹ 500 for Petty Cash
" 3	Spent for postage ₹ 45



- " 6 Taxi hire for secretary ₹ 50
- " 8 Paid X and Co. ₹ 35
- " 10 Ink and stationary ₹ 85
- " 11 Sent a Fax ₹ 10
- " 15 Entertainment expenses for visitors ₹ 63
- " 20 Paid for carriage ₹ 88
- " 26 Tips paid to peons on Republic Day ₹ 55
- " 30 Paid telephone bill ₹ 40
- " 31 Paid Y and Co. ₹ 20

Feb. 1 Imprest amount received from the cashier.

7. A company took on lease a property on 1st January, 2012 for a term of 5 years by payment of ₹ 25,000. It is proposed to depreciate the lease by the Annuity method charging 5% interest. Assuming the Annuity of ₹ 1 for 5 years at 5% would be ₹ 0.230975. Show the Lease Account for 5 years.

8. Enter the following transactions in the Sales Book of Mr. Ramdeen.

2017

- Jan. 1 Sold to Anand and Co. 100 bags of rice at ₹ 200 per bag
- " 8 Sold to Sunder, Mangalore 20 bags of sugar at ₹ 250 per bag
- " 10 Sold to Kishore and Co. Mumbai 20 bags of wheat at ₹ 150 per bag
- " 18 Sold to Avinash and Co. Chennai 10 bags of groundnuts at ₹ 125 per bag
- " 28 Sold to Shanthi Sagar Bengaluru 20 bags of wheat flour at ₹ 100 per bag



SECTION – C
(15 Marks each)

Answer **any three** of the following :

(15×3=45)

9. Journalise the following transactions in the books of Mr. Sameerana :

2017

- Aug. 1 Commenced business with ₹ 10,000
" 2 Purchased goods from X ₹ 2,000 on credit
" 4 Purchased goods from Y ₹ 1,000 for cash
" 5 Paid cash to X on account ₹ 800
" 7 Returned goods to X worth ₹ 100
" 8 Purchased machinery ₹ 500
" 10 Received cash from A on account ₹ 1,000
" 12 Paid salary ₹ 700 to our accountant
" 13 Paid landlord office rent ₹ 150
" 14 Paid wages ₹ 80
" 18 Paid for stationery ₹ 200
" 20 Received interest on bank deposit ₹ 250
" 22 Received commission ₹ 200
" 28 Withdrawn cash from office ₹ 100 for personal expenses
" 30 Received dividend on shares ₹ 500.

10. Write up a three column cash book of Mr. Jerald from the following particulars and balance the same at the end of the month.

2017

- May 1 Balance in shop cash ₹ 750 in Bank ₹ 1,300
" 3 Bought goods for cash ₹ 330
" 7 Received from Nair in cash ₹ 290



- " 12 Bought goods on credit from Menon ₹ 720
- " 14 Gave cheque for ₹ 525 to Chandran for goods supplied in April 2017.
- " 16 Gave his wife ₹ 150 for household expenses
- " 25 Paid in to bank ₹ 600
- " 26 Gave David a cheque for ₹ 450 in repayment of some liabilities
- " 27 Received ₹ 120 from George and paid in to bank
- " 28 Gave Charity ₹ 100
- " 29 Gave a cheque to Menon for ₹ 710 for goods bought during the month deducting ₹ 10 for discount
- " 30 Received bearer cheque from Suman ₹ 1,000
- " 31 Withdraw ₹ 200 for personal use from bank.

11. The cash book of Ashok showed a balance of ₹ 48,400 on 31st May 2017.

On investigation it is found that :

- a) Cheque drawn amounting to ₹ 16,800 had not been presented to the bank for payment.
- b) Cheque ₹ 14,400 entered in the cash book as paid in to bank had not been credited by the bank.
- c) The receipt side of the cash book had been undercost by ₹ 4,000.
- d) Bank charges of ₹ 200 entered in the bank statement had not been entered in the cash book.
- e) A cheque for ₹ 10,400 drawn on this account had been charged by the bank by mistake to other account.
- f) A dividend of ₹ 1,200 paid directly to the bank had not been entered in the cash book.
- g) Cheque for ₹ 2,800 received from Amar paid in to bank had been dishonoured. But no entry is made in the cash book.
- h) A cheque for ₹ 1,680 drawn by another customer of the bank had been charged to Ashok's account in error by bank.

You are required to prepare Bank Reconciliation Statement as on 31st May 2017.



12. From the following Trial Balance of Shri Rudrapura Ravindra Rahane, prepare the Trading Account, Profit and Loss A/c and Balance Sheet as at 31st December, 2016, after taking into account the adjustments given below :

	₹	₹
Ravindra's capital	—	50,000
Ravindra's drawings	5,000	—
Plant and machinery	6,000	—
Land and building	10,000	—
Purchases	80,000	—
Sales	—	1,00,000
Returns	10,000	8,000
Stock on 1 st Jan. 2016	15,000	—
Furniture	10,000	—
Salaries	1,500	—
Insurance	400	—
Rent	800	—
Debtors	15,200	—
Creditors	—	11,000
Bills receivable	4,800	—
Bills payable	—	4,000
Commission	—	600
Interest	—	200



Carriage inwards	600	—
Wages	2,400	—
Investments	4,000	—
Printing and stationary	1,600	—
Cash in hand	6,500	—
	1,73,800	1,73,800

Adjustments :

- a) Closing stock was valued at ₹ 26,000
 - b) Outstanding liabilities were rent ₹ 400, wages ₹ 800 and salary ₹ 600.
 - c) Insurance was prepaid to the extent of ₹ 100.
 - d) Depreciate land and building at 5% and plant and machinery at 10%.
 - e) Provide provision for doubtful debts at 5% on debtors.
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