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BBABMC 105/BBMBMC 105

**Credit Based First Semester B.B.A./B.B.M. Degree
Examination, October/November 2016
(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)
- Give any two examples for nominal account.
 - Name any two accounting conventions.
 - What is trade discount ?
 - What do you mean by matching concept ?
 - What is narration ?
 - What is the treatment for “goods lost by fire” in final accounts ?
 - What is Journal Proper ?
 - State any two causes of depreciation.
 - Why trial balance is prepared ?
 - Give one example for compensating error.
 - What is the nature of cash book ?
 - What is purchases and sales book ?

P.T.O.



SECTION – B
(Five Marks Each)

(5×5=25)

Answer **any five** of the following.

2. Define accounting. Explain the functions of accounting.
3. Explain the different types of accounting errors.
4. Write out the account of Mr. Suresh from the following transaction for the month May, 2016 :

Date	Transactions
01-05-2016	Sold him goods worth ₹ 900
04-05-2016	Received from him ₹ 350 on account, allowed discount ₹ 10
07-05-2016	Purchased from him goods worth ₹ 200
09-05-2016	Returned him goods worth ₹ 25
15-05-2016	Received from him further cash ₹ 100
16-05-2016	Sold him goods worth ₹ 100
21-05-2016	He returned goods ₹ 25
23-05-2016	Sent him cash ₹ 125
26-05-2016	Purchased from him goods worth ₹ 125

5. Enter the following transactions in analytical petty cash book under imprest system.

Date	Transactions
01-02-2016	Received a cheque for ₹ 150 to begin with
03-02-2016	Spent for postage ₹ 10
08-02-2016	Paid travelling expenses of manager ₹ 15
11-02-2016	Paid for office cleaning ₹ 13
14-02-2016	Paid cartage ₹ 11
16-02-2016	Paid for telegrams ₹ 14
18-02-2016	Tea to customers ₹ 16
20-02-2016	Paid wages ₹ 12
23-02-2016	Purchased stationery ₹ 14
25-02-2016	Bought postage stamps ₹ 16
28-02-2016	Trunk call bill ₹ 9



6. A company acquires lease on January, 1st 2011 for a term of 5 years of payment of ₹ 50,000. It is proposed to depreciate the lease by Annuity method, charging 5% interest. As per Annuity tables, the amount to be written off annual amounts to ₹ 5,774.37.

Show the (i) Lease Account and (ii) Interest Account for five years.

7. Prepare the Trial Balance from the following balances for the year ending 31st March, 2016 :

Particulars	₹	Particulars	₹
Capital	28,000	Purchases	15,000
Stock of goods	4,000	Plant	15,000
Motor Car	8,000	Wages	8,200
Discount received	400	Creditors	6,500
Sales	30,300	Salaries	2,800
Cash at Bank	4,000	Commission (Credit)	600
Cash in Hand	600	Debtors	5,600
Rent (Dr.)	1,700	General expenses	300
Discount allowed	300	Interest received	200
		Advertisement	500

8. Enter the following transactions in the purchases return book for the month June, 2016 :

- 02-06-2016 Returned goods worth ₹ 2,500 to Dev and Company Mangalore
- 15-06-2016 Goods worth ₹ 2,250 to Sharma and Co. Mumbai
- 20-06-2016 Allowance claimed from Rahul, Kalyanpur for shortage ₹ 2,150
- 24-06-2016 Returned goods worth ₹ 275 to Khan and Brothers, Mangalore



SECTION – C
(Fifteen Marks Each)

Answer **any three** of the following :

(15×3=45)

9. From the following balances extracted from the books of Mr. Joy, prepare Trading and Profit and Loss Account and Balance Sheet as on 31st December, 2015.

Particulars	Debit (₹)	Credit (₹)
Capital and Drawings	10,000	60,000
Bank Overdraft		8,400
Furniture and fitting	5,200	
Business premises	40,000	
Debtors and Creditors	36,000	26,000
Stock on 01-01-2015	44,000	
Rent		2,000
Purchases and Sales	2,20,000	3,00,000
Returns	4,000	
Discount	3,200	4,000
Taxes and Insurance	4,000	
General Expenses	8,000	
Salaries	18,000	
Commission	4,400	
Carriage on purchases	3,600	
Reserve for doubtful debts		1,000
Bad debts	1,000	
	4,01,400	4,01,400

Adjustments :

- a) Stock on hand on 31-12-2015 ₹ 40,120.
 - b) Depreciate business premises by ₹ 600 and furniture and fittings by 10%.
 - c) Make a reserve for doubtful debts at 5% on debtors.
 - d) Allow interest on capital at 5%.
 - e) Prepaid Insurance ₹ 1,400.
10. Enter the following transactions in a cash book with cash, discount and bank columns and balance the cash book on 31st March, 2016 :

01-03-2016	Balance of cash on hand ₹ 400, Bank Overdraft ₹ 5,000
04-03-2016	Introduced cash ₹ 10,000 as further capital of which ₹ 5,000 deposited into bank
05-03-2016	Sold goods for cash ₹ 3,000
06-03-2016	Collected from Ravi ₹ 8,000 by cheque and allowed discount ₹ 200
10-03-2016	Purchased goods for cash ₹ 2,000 and by cheque ₹ 3,000
11-03-2016	Paid Rao ₹ 2,500 by cheque and discount received ₹ 100
12-03-2016	Paid commission to an agent ₹ 500
15-03-2016	Purchased office furniture for cash ₹ 2,000
16-03-2016	Rent paid ₹ 100
17-03-2016	Drew a cheque for personal use ₹ 1,000
18-03-2016	Cash sales ₹ 5,000
20-03-2016	Received from Yasim ₹ 4,000 and deposited the same into bank
23-03-2016	Dividend received by cheque ₹ 100 and deposited into bank
28-03-2016	Paid office salaries by cheque ₹ 2,000
29-03-2016	Deposited cash into bank ₹ 7,000



11. Cash book of Merchant shows a balance of ₹ 30,000 in his bank account on 31st March 2016. But his pass book showed a different figure. On verification he traced the following :
- a) A cheque of ₹ 1,200 deposited on 29th March, 2016 were collected on 30th April, 2016.
 - b) The cheque for ₹ 1,500 issued on 26th March, 2016 was paid by the banker on 2nd April, 2016.
 - c) The bankers have credited ₹ 250 as interest on his deposits but was not found in cash book.
 - d) Bankers collected ₹ 600 as dividend on his shares but it was not entered in the cash book.
 - e) As per standing instructions the banker paid ₹ 2,000 as rent for the building but the same were not recorded in the cash book.
 - f) A cheque for ₹ 5,000 were deposited into the bank but the banker credited the bank account with ₹ 4,900 only.
 - g) There was a wrong debit of ₹ 300 in the pass book.
 - h) ₹ 1,500 paid in cash to a creditor were wrongly entered in bank column of cash book.
12. Journalise the following transactions in the books of Shailraj for the month of April, 2016 :
- | | |
|------------|--|
| 01-04-2016 | Commenced business with ₹ 20,000 |
| 03-04-2016 | Opened SB A/c with Karnataka Bank ₹ 5,000 |
| 06-04-2016 | Sold goods to Sumana on credit ₹ 1,300 |
| 08-04-2016 | Bought goods on credit from Sowmya ₹ 1,000 |
| 10-04-2016 | Paid travelling expenses ₹ 40 |



- 12-04-2016 Received an amount of ₹ 2,500 from Shilpa as loan
 - 15-04-2016 Returned goods to Sowmya ₹ 150
 - 18-04-2016 Received commission from Subramanya ₹ 350
 - 19-04-2016 Paid fire insurance premium ₹ 350
 - 22-04-2016 Bought furniture worth ₹ 750
 - 23-04-2016 Sold goods to Thantry ₹ 400
 - 25-04-2016 Paid carriage ₹ 15
 - 26-04-2016 Paid salary to manager ₹ 1,500
 - 27-04-2016 Withdrew cash from office for personal use ₹ 500
 - 28-04-2016 Sold goods ₹ 400 and bought goods ₹ 600.
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