

Credit Based III Semester B.A. (HRD) Degree
Examination, October/November 2017
(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)

I. Answer the following :

(15×3=45)

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

2017

- Sept. 1 Started business with ₹ 35,000
" 3 Deposited into bank ₹ 15,000
" 5 Bought furniture ₹ 2,500 and paid by cheque
" 6 Purchased goods ₹ 1,800
" 8 Cash sales ₹ 1,200
" 9 Sold to Aravind ₹ 800 for cash
" 11 Received cheque from Akhil ₹ 2,000 in full settlement of his a/c
₹ 2,100
" 13 Withdrew cash from office for personal use ₹ 1,100



- " 15 Received commission from Akash ₹ 800 and deposited the same into bank
- " 17 Purchased goods ₹ 1,500 and paid by cheque
- " 20 Paid salary to an accountant by cheque ₹ 1,900
- " 23 Paid to Anup ₹ 1,200 and discount received ₹ 100
- " 24 Drew from bank for office use ₹ 2,100
- " 25 Bank charges debited by bank ₹ 90
- " 29 Paid to Adil ₹ 500

OR

Enter the following transactions in proper subsidiary books of Mr. Nagaraj.

2017

- June 1 Bought goods from Nanda ₹ 1,000
- " 2 Sold goods to Narayan ₹ 1,200
- " 3 Allowance claimed from Nanda ₹ 50
- " 5 Purchased goods from Nikhil ₹ 1,700
- " 7 Sold goods to Nagesh ₹ 2,100
- " 8 Allowance granted to Narayan ₹ 60
- " 10 Returned goods to Nikhil ₹ 70
- " 12 Sold goods to Nandini ₹ 3,000, less 5%
- " 13 Purchased goods from Nataraj ₹ 3,100
- " 15 Allowed Nandini for damaged goods ₹ 50
- " 17 Nagesh returned goods ₹ 80
- " 18 Sold goods to Nakul ₹ 2,200, delivery and cartage ₹ 80
- " 22 Bought goods from Neetha ₹ 1,750
- " 25 Returned goods to Nataraj ₹ 20
- " 30 Sold goods to Navya ₹ 1,820

- 2) From the following Trial Balance of Bhadra, prepare Trading and Profit and Loss Account for the year ending 31-12-2016 and a Balance Sheet as on that date.

Debit Balances	₹	Credit Balances	₹
Opening Stock	15,500	Capital	90,000
Land and Buildings	35,000	Sundry Creditors	9,600
Machinery	50,000	Purchase returns	2,100
Furniture	5,000	Discount received	1,200
Purchases	1,06,000	Sales	2,07,300
Salaries	11,000		
General expenses	3,100		
Rent	3,000		
Postage	1,400		
Stationery	1,300		
Wages	28,800		
Carriage on sales	4,000		
Repairs	4,500		
Sundry Debtors	30,000		
Cash in hand	6,500		
Sales returns	5,100		
	3,10,200		3,10,200

Adjustments :

- Closing stock ₹ 14,900.
- Wages outstanding ₹ 2,100.
- Create a provision for bad debts at 5%.
- Depreciate Land and Buildings 2%, Machinery 10% and Furniture 15%.
- General expenses included ₹ 200 prepaid insurance.

OR



Journalise the following transactions in the books of Harsha.

2017

- July 1 Commenced business with cash ₹ 25,000, furniture ₹ 4,000
" 2 Bought machinery ₹ 6,000
" 4 Purchased goods from Harish ₹ 1,900
" 6 Sold goods ₹ 500
" 10 Dividend received ₹ 250
" 12 Paid travelling expenses of a salesman ₹ 120
" 14 Advanced loan to Hari ₹ 4,800
" 16 Sold machinery to Hema ₹ 900
" 19 Bought stationery from Shakti Traders ₹ 190
" 21 Received cash from Harshitha ₹ 510
" 23 Sold goods to Hemanth ₹ 2,000
" 26 Paid salary to clerk ₹ 2,900
" 28 Received goods returned by Hemanth ₹ 60
" 30 Paid into bank ₹ 4,000
" 31 Withdrew cash from business for personal use ₹ 350
- 3) Explain the developments in Human Resource Accounting and problems associated with putting human resources in the Balance Sheet.

OR

Explain the different accounting concepts.

SECTION – B
(5 marks each)

II. Answer **any six** questions :

(5×6=30)

- 1) What are the objectives of Accounting ?
- 2) Explain the causes for depreciation.
- 3) Write a note on final accounts of a Sole Trader.
- 4) What are the advantages of double entry system ?



5) Prepare the personal account of Roopa.

2017

- June 1 Credit balance b/d ₹ 2,500
- " 5 Purchased goods from her ₹ 650
- " 8 Returned goods worth ₹ 160 to her
- " 14 Sold goods to her ₹ 750
- " 20 Received goods returned by her ₹ 45
- " 21 Sold goods for ₹ 600 to her
- " 30 Paid to her ₹ 1,660. Discount allowed by her ₹ 25

6) ABC Ltd. company acquired a machine on 1st January 2014 at a cost of ₹ 5,60,000 and spent ₹ 20,000 on its installation. The company writes off depreciation at 10% on original cost per annum. The books are closed on 31st December every year.

Prepare Machinery Account from 2014 - 2016 for 3 years.

7) Enter the following transactions in the Sales Book.

2017

- July 5 Sold to ideal college :
 - 10 tables at ₹ 2,500 each
 - 10 chairs at ₹ 1,500 each
 - less 10% discount
- " 9 Sold to Madan Brothers :
 - 5 stools at ₹ 1,000 each
 - 10 chairs at ₹ 1,500 each
- " 12 Sold to Pragathi & Co.
 - 3 tables at ₹ 7,500 each
 - 5 chairs at ₹ 3,000 each
- " 25 Sold to Anjan Pai & Co.
 - 10 stools at ₹ 1,200 each
 - Trade discount at 5%
- " 30 Sold to Ganesh Rao & Co. for cash
 - 5-tables at ₹ 3,000 each



8) From the following balances, prepare a trial balance :

	₹
Machinery	8,500
Land and Buildings	30,000
Debtors	30,000
Sales	52,000
Capital	36,800
Purchases	50,000
Salary expense	2,800
Bad debt	1,800
Purchases returns	1,300
Cash	200
Commission received	1,500
Bank overdraft	5,000
Creditors	26,400
Interest received	1,000
Discount received	300
Repairs to machinery	400
Drawings	600

SECTION – C
(3 marks each)

III. Answer **any five** questions :

(3×5=15)

- 1) What are accounting conventions ?
- 2) What are the objectives of cash book ?
- 3) What are accounting standards ?
- 4) What are the methods of preparing trial balance ?



- 5) Classify the following into three kinds of accounts :
- a) Copyright A/c
 - b) Commission received in Advance A/c
 - c) Wages A/c
 - d) XYZ company's A/c
 - e) Motor Van A/c
 - f) Outstanding Salary A/c
- 6) On 1-1-2016, MNO Ltd. purchased a machinery costing ₹ 11,00,000. Its life was estimated to be 12 years with a scrap value of ₹ 50,000. Calculate amount of depreciation to be provided each year.
- 7) The total assets of the business is ₹ 12,80,000, the outside liabilities is ₹ 7,10,000, calculate the amount of capital.

SECTION – D
(one mark each)

IV. Answer the following in two or three sentences :

(1×10=10)

- a) What is accounting ?
 - b) What is journal ?
 - c) What do you mean by ledger folio ?
 - d) What is separate entity concept ?
 - e) Mention the debit and credit rule of Real Account.
 - f) What is Invoice ?
 - g) What is Balance Sheet ?
 - h) Expand GAAP.
 - i) What do you mean by Diminishing Balance Method ?
 - j) What is meant by "Day Book" ?
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