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**BBABMCN 102**

**I Semester B.B.A. Degree Examination, April/May 2022  
(NEP 2020) (2021 – 22 Batch Onwards)  
FUNDAMENTALS OF BUSINESS ACCOUNTING  
(DSCC)**

Time : 2 Hours

Max. Marks : 60

**Instruction :** Show working notes *wherever* necessary.

**SECTION – A**

Answer **any five** of the following questions. **Each** question carries **2** marks. **(5×2=10)**

1. Define Accounting.
2. Give the meaning of journalising.
3. Why Trial Balance is prepared ?
4. What is meant by Trade Discount ?
5. What is meant by Contra Entry ?
6. How do you treat outstanding expenses in Final accounts ?
7. What is meant by Accounting Software ?

**SECTION – B**

Answer **any four** of the following questions. **Each** question carries **5** marks. **(4×5=20)**

8. Explain Accounting Cycle.
9. What are the advantages of Tally Software ?
10. State any five causes for the disagreement between cash book balance and pass book balance.
11. Enter the following transactions in the analytical petty cash book under imprest system for the month of Sept. 2021 :

**Sept. 2021**

|   |                             | <b>Rs.</b> |
|---|-----------------------------|------------|
| 1 | Received from Chief Cashier | 300        |
| 4 | Bought postage stamps       | 15         |
| 8 | Paid for stationery         | 36         |

**P.T.O.**



|    |                      |    |
|----|----------------------|----|
| 10 | Paid for cartage     | 12 |
| 15 | Paid for taxi hire   | 22 |
| 22 | Paid office expenses | 33 |
| 25 | Bought postcards     | 9  |
| 28 | Paid Gaurav          | 18 |
| 30 | Telephone charges    | 24 |

12. Enter the following transactions in sales book of Shama.

January

- 1 : Sold to Kiran subject to a discount at 10%, Rs. 25,000
- 5 : Sold furniture on credit to Pramod Rs. 4,000
- 8 : Shekar purchased goods Rs. 200
- 14 : Sold goods to Vikas worth Rs. 600 for cash
- 20 : Sold goods to Sharath Rs. 3,000 less 5%
- 26 : Amar bought goods from us Rs. 700.

13. Ram, business man entered into the following transactions with Krishna on the following dates. Draft the Ledger account of Krishna and balance the same.

- Jan. 1<sup>st</sup> : Opening debt of Krishna to Rama Rs. 100
- Jan. 3<sup>rd</sup> : Sold goods to Krishna subject to 10% discount Rs. 1,000
- Jan. 18<sup>th</sup> : Krishna returned goods Rs. 100
- Jan. 25<sup>th</sup> : Sold goods to Krishna and received a bill accepted by him Rs. 200
- Jan. 30<sup>th</sup> : Krishna become insolvent and Ram realised from him Rs. 850.

14. From the following balances, prepare Trial Balance.

|                   | Rs.    |
|-------------------|--------|
| Premises          | 30,000 |
| Machinery         | 8,500  |
| Bad debt          | 1,400  |
| Return outwards   | 1,300  |
| Cash              | 200    |
| Discount received | 1,500  |
| Bank overdraft    | 5,000  |
| Creditors         | 25,000 |
| Purchases         | 50,000 |
| Capital           | 36,800 |
| Fixtures          | 2,800  |
| Sales             | 52,000 |
| Debtors           | 30,000 |
| Interest received | 1,300  |



SECTION – C

Answer **any three** of the following questions. **Each** question carries **10** marks.

(3×10=30)

15. Explain :

- a) Accounting Conventions
- b) Functions of Accounting.

16. Journalize the following transactions in the books of Mr. Ram Krishna.

| Date    | Particulars                                   | Rs.      |
|---------|---|----------|
| July 1  | Mr. Ram Krishna started business with cash    | 2,00,000 |
| July 4  | Goods purchased in cash                       | 20,000   |
| July 5  | He deposited in Bank                          | 40,000   |
| July 7  | Goods sold on cash                            | 15,000   |
| July 10 | Goods purchased from Mr. Kamlesh on credit    | 25,000   |
| July 11 | Furniture purchased in cash                   | 18,000   |
| July 12 | Wages paid                                    | 8,000    |
| July 20 | Interest received                             | 500      |
| July 25 | Cash paid to Mr. Kamlesh                      | 2,500    |
| July 30 | Additional capital brought by Mr. Ram Krishna | 50,000   |

17. Enter the following in the three-column cash book and balance the book at the end of the month.

- March 1 : Balance of cash in hand Rs. 4,000 and in bank Rs. 10,000
- 2 : Received from Meera Rs. 1,000 and allowed her discount of Rs. 15
- 3 : Paid into bank Rs. 2,000
- 4 : Paid to Bharat and Co. by cheque Rs. 320 in full settlement of their account for Rs. 340
- 5 : Received from cash sale, cash Rs. 275 and cheque Rs. 225
- 6 : Paid for cash purchases by cheque Rs. 645
- 11 : Paid cash for advertisement Rs. 100
- 15 : Paid salaries by cheque Rs. 1,500
- 20 : Paid rent to landlord Ramesh Rs. 200
- 25 : Purchased office furniture and paid by cheque Rs. 350.

18. Prepare a bank reconciliation statement from the following particulars as on 30 June 2021.

Bank Balance as per pass book Rs. 30,000

- 1) Cheques drawn, but not cashed before 30 June Rs. 7,250
- 2) Cheques paid into the bank but not cleared Rs. 4,825



- 3) Bank has collected interest on investment Rs. 375
- 4) Life insurance premium paid by bank not yet entered in cash book Rs. 550
- 5) Bank charges not recorded in cash book Rs. 20
- 6) Direct payment into the bank by a customer not entered in cash book Rs. 1,820
- 7) Wrong debit in the pass book only Rs. 750.

19. From the following Trial Balance of Santosh as on 31<sup>st</sup> Dec. 2021, prepare Trading and Profit and Loss Account after taking into account the adjustments given below :

| Particulars           | Debit (Rs.)     | Credit (Rs.)    |
|-----------------------|-----------------|-----------------|
| Capital Account       | —               | 1,20,000        |
| Drawings Account      | 15,000          | —               |
| Bills Receivables     | 22,000          | —               |
| Machinery             | 20,000          | —               |
| Debtors and Creditors | 60,000          | 58,000          |
| Wages                 | 39,000          | —               |
| Purchases and Sales   | 2,52,000        | 3,55,000        |
| Commission            | —               | 5,500           |
| Rent and Taxes        | 6,000           | —               |
| Stock on 1-1-2021     | 90,000          | —               |
| Salaries              | 10,500          | —               |
| Travelling Expenses   | 2,000           | —               |
| Insurance             | 600             | —               |
| Repairs               | 3,400           | —               |
| Bad Debts             | 3,500           | —               |
| Furniture             | 9,000           | —               |
| Returns               | 5,000           | 2,000           |
| Cash in hand          | 500             | —               |
| Cash at bank          | 2,000           | —               |
|                       | <b>5,40,500</b> | <b>5,40,500</b> |

**Adjustments :**

- 1) Stock in hand on 31-12-2021 was Rs. 1,00,000
- 2) Create 5% provision for doubtful debts
- 3) Prepaid insurance amounts to Rs. 100
- 4) Commission earned but not received amounts to Rs. 500
- 5) Wages and salaries are unpaid to the extent of Rs. 1,000 and Rs. 1,500 respectively
- 6) Depreciate machinery by 5% and furniture by 10% p.a.