



I Semester B.B.A. Examination, March/April 2022  
(CBCS) (Repeaters) (2014 – 15 and Onwards)  
**BUSINESS ADMINISTRATION**  
**Paper 1.3 : Fundamentals of Accounting**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer should be written in **English** only.

**SECTION – A**

Answer **any five** sub-questions. **Each** question carries **2** marks. **(5×2=10)**

1. a) Give the meaning of accounting conventions.
- b) State the branches of accounting.
- c) What is trading account ?
- d) How do you treat the goods withdrawn by the proprietor for personal use ?
- e) Mention any four subsidiary books.
- f) What is an accounting standard ?
- g) Give the meaning of Pass book.

**SECTION – B**

Answer **any three** questions. **Each** question carries **6** marks. **(3×6=18)**

2. Explain the objectives of accounting.
3. What are the objective of conversion of single entry into double entry system.
4. Explain the rules for debiting and crediting various types of accounts.
5. Prepare personal account of Mr. Amith from the following details of transactions.

2021 March	1 <sup>st</sup>	Debit balance of Amith A/c ₹ 1,62,000
	3 <sup>rd</sup>	Goods purchased from Amith on Credit of ₹ 28,000
	15 <sup>th</sup>	Goods worth ₹ 46,000 sold to him
	20 <sup>th</sup>	Paid to him ₹ 26,000
	25 <sup>th</sup>	Returned goods to him ₹ 2,600
	31 <sup>st</sup>	He returned goods ₹ 12,000.



6. On 31 March, 2021 Suresh's Pass Book had a Credit balance of ₹ 10,000. Following facts were disclosed on comparison of Pass Book with cash book.
- Cheques of ₹ 8,000 were issued but cheques of ₹ 3,000 were presented for payment.
  - A cheque of ₹ 1,000 received from a customer which is recorded in cash book only.
  - Bank credited ₹ 300 for interest.
  - Bank debited ₹ 200 for expenses.
  - Cheques of ₹ 2,000 and ₹ 3,000 were sent to Bank but out of them cheque of ₹ 2,000 was credited upto 31 March 2021.
- Prepare Bank Reconciliation Statement.

## SECTION – C

Answer **any three** questions. **Each** question carries **14** marks.

(3×14=42)

7. Journalise the following transactions in the books of Mr. Prateek.

2021 June	1 <sup>st</sup>	Commenced business with cash ₹ 1,00,000
	5 <sup>th</sup>	Purchased a machinery from Mahesh on Credit ₹ 24,000
	8 <sup>th</sup>	Bought goods for cash ₹ 3,000
	9 <sup>th</sup>	Borrowed loan from HDFC Bank ₹ 50,000
	10 <sup>th</sup>	Paid suppliers of Machinery ₹ 15,000
	12 <sup>th</sup>	Sold goods to M/s Arun Traders ₹ 20,000
	15 <sup>th</sup>	Goods returned by M/s Arun Traders ₹ 2,000
	25 <sup>th</sup>	Paid salaries to office staff ₹ 6,000
	27 <sup>th</sup>	Purchased motor cycle for cash for office use ₹ 30,000
	28 <sup>th</sup>	Received cash of ₹ 17,700 from Arun Traders on full settlement of ₹ 20,000
	28 <sup>th</sup>	Paid carriage of ₹ 20,000
	29 <sup>th</sup>	Paid wages ₹ 1,000 and Rent ₹ 3,000
	30 <sup>th</sup>	Deposited into Bank ₹ 80,000.

8. From the following Trial Balance of Praveen as on 31<sup>st</sup> March 2021. Prepare Final Accounts.

Debit Balance	₹	Credit balance	₹
Stock (1-4-2020)	15,000	Sales	7,80,000
Purchases	2,50,000	Provision for Bad and	
Debtors	60,000	doubtful debts.	14,000
Drawings	50,000	Creditors	66,000
Return inward	8,000	Bills payable	40,000
Machinery	1,50,000	Return outwards	10,000
Bill Receivable	25,000	Capital	2,00,000





Land and Building	3,00,000	
Salaries	1,00,000	
Wages	20,000	
Advertisement	70,000	
Rent	12,000	
Stationery	7,000	
Bad debts.	3,000	
Furniture	35,000	
Cash balance	5,000	
	<b>11,10,000</b>	<b>11,10,000</b>

**Adjustments :**

- Closing stock (31-3-2021) ₹ 12,000.
- Outstanding expenses : Wages ₹ 4,000, Rent ₹ 500.
- Provision for Bad and doubtful debts at 15% on Debtors to be made.
- Depreciate machinery at 10% and Land and Building at 8%.

9. Enter the following transactions in a three column cash book.

- Dec. 2021
- |                  |  |
|------------------|--|
| 1 <sup>st</sup>  | Cash in hand ₹ 7,000, Bank overdraft ₹ 9,000   |
| 3 <sup>rd</sup>  | Received cash from Prasad ₹ 7,900 ; discount allowed ₹100                                      |
| 4 <sup>th</sup>  | Deposited into the bank ₹ 8,000  |
| 5 <sup>th</sup>  | Paid to Lakshman ₹ 6,750 in full settlement of his account for ₹ 7,000                         |
| 6 <sup>th</sup>  | Cash Sales ₹ 9,000   |
| 7 <sup>th</sup>  | Purchased goods for ₹ 5,000 and paid by cheque   |
| 9 <sup>th</sup>  | Deposited into Bank ₹ 6,000  |
| 11 <sup>th</sup> | Received from Mohan a cheque for ₹ 4,000 and deposited into Bank.                              |
| 13 <sup>th</sup> | Received cash from Ram ₹ 6,950, discount allowed ₹ 50  |
| 17 <sup>th</sup> | Sold goods for ₹10,000 received a cheque for the same and deposited into Bank on the same day. |
| 18 <sup>th</sup> | Cash sales ₹ 9,000   |
| 20 <sup>th</sup> | Paid for furniture purchased by cheque ₹ 2,000   |
| 26 <sup>th</sup> | Drew from bank for office use ₹ 5,000  |
| 30 <sup>th</sup> | Paid for advertisement cash ₹ 5,300 and office expenses by cheque ₹ 6,500.                     |

10. From the following information ascertain total sales and total purchases.

<b>Balances</b>	<b>1-4-2020(₹)</b>	<b>31-3-2021 (₹)</b>
Sundry Debtors	65,000	72,000
Bills Receivable	37,000	30,000



Sundry Creditors	48,000	50,000
Bills Payable	24,000	21,000
Transactions for the year 2020-21		₹
Cash sales		38,750
Cash received from debtors		1,62,500
Discount allowed to customers		4,500
Return inwards		12,000
Return Outwards		2,500
Cash received against B/R		58,000
Cash paid against B/P		40,000
Cash Purchases		25,000
Cash paid to creditors		1,07,500
Bad debts written off		5,000

11. Rajesh has not kept his books on double entry. Prepare statement of profit or loss for the year ended 31-3-2021 and a revised statement of affairs as on that date.

Particulars	1-4-2020 (₹)	31-3-2021 (₹)
Cash	3,000	24,000
Bank overdraft	30,000	—
Stock	53,000	80,000
Sundry Creditors	26,000	40,000
Sundry debtors	60,000	1,40,000
Bills Payable	6,000	12,000
Furniture	40,000	60,000
Bill Receivable	8,000	28,000
Machinery	50,000	1,00,000
Investment	30,000	80,000

**Additional informations :**

- Drawing were ₹ 10,000 p.m.
- Additional capital introduced ₹ 2,00,000.
- Write off ₹ 2,000 as bad debts.
- Outstanding Salary ₹ 2,400.
- Prepaid insurance ₹ 700.
- Depreciate furniture and machinery at 10% p.a. on opening balance.
- Allow interest on capital at 5% p.a. on opening capital.