

E 2630

(Pages : 4)

Reg. No.....

Name.....

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2011

First Semester

Core Course—BUSINESS ACCOUNTING

Time : Three Hours

Maximum Weight : 25

Part A

Answer all questions in this part.

Each bunch of four questions carries weight 1.

Bunch I

- I. 1. Recognition of expenses in the same period as associated revenue is called _____ concept.
2. Purchases day book records _____.
3. Asset account shows _____ balance.
4. Debiting wages account for wages paid for the construction of building is an error of _____

Bunch II

- II. 5. The payment of promissory note is made by its _____.
6. According to diminishing balance method depreciation is charged on _____ of assets.
7. Bank account is a _____ account.
8. _____ is the source document for writing sales returns book.

Bunch III

- III. 9. A petty cash book is usually kept under _____ system.
10. _____ is created for unknown liability.
11. Balance Sheet is prepared to know _____.
12. At the time of the renewal of a bill, interest account is _____ in the books of the drawee.

Bunch IV

- IV. 13. Double column cash book records _____.
14. Depreciation written off is _____ in the Asset account.
15. A Bank overdraft means a _____ balance in the Bank Pass Book.
16. Assets that are meant to be converted into cash as soon as possible are termed as _____ assets.

(4 × 1 = 4)

Part B

Answer any five in this part.

Each question carries weight 1.

17. What is a Journal Proper ?
18. What do you mean by a compensating error ?

Turn over

19. What is meant by retirement of a bill ?
20. What is money measurement concept ?
21. What is a bank reconciliation statement ?
22. What do you understand by Ledger ?
23. What are 'Provisions' ?
24. What is a Trading Account ?

(5 × 1 = 5)

Part C

Answer any four questions in this part.

Each question carries weight 2.

25. From the following details, prepare a Bank Reconciliation Statement :-
 - (1) Balance as per Pass Book 31-12-2009 Rs. 3,500.
 - (2) Cheques issued but not presented for payment Rs. 1,500.
 - (3) Cheques paid into bank but not collected Rs. 180.
 - (4) Bank charges debited in the Pass Book Rs. 60.
 - (5) Dividend collected and credited in the Pass Book Rs. 120.
26. From the following details, prepare a Petty Cash Book with analytical ruling.

2010

January		Rs.
1	Received cash from main cashier	100
7	Purchased postage stamps	30
10	Purchased paper, ink etc	20
13	Paid Taxi fare	12
17	Cartage charges	8
18	Paid Printing charges	12
29	Paid Telegram charges	7

27. Pass entries to rectify the following errors :-
 - (i) Legal charges incurred for the purchase of buildings Rs. 600 debited to Law Charges Account.
 - (ii) Purchases made Rs. 150 from Y, was passed through the Sales Book.
 - (iii) Cash paid to Monu is debited to Mani's account for Rs. 600.
 - (iv) Stock of stationary Rs. 30 at the end of the year is omitted to be brought into account.

28. Enter the following in a cash book with three columns and balance it 2010

September	1	Cash in hand	....	400
		Cash at bank	....	1,600
September	3	Cash sales	....	700
September	4	Cash Purchases	....	530
September	4	Received cash from Hari and paid the same into bank	....	400
September	9	Withdrew from Bank	....	160
September	14	Received interest	....	40
September	18	Paid John by cheque Rs. 240, discount earned Rs. 10		
September	23	Paid into bank Rs. 120. Purchased furniture by cheque Rs. 80		
September	29	Paid salaries Rs. 220		

29. Raju drew a bill on Vinod for Rs. 3,500, payable for three months after date. Vinod accepted the bill and returned it to Raju. Raju endorsed it to his creditor Anand who discounted it with his bankers for Rs. 3,400. On maturity the bill was dishonoured and Rs. 10 was paid by the bank as noting charges.

Pass the necessary entries in the books of Raju, Vinod and Anand.

30. What is depreciation ? What are the causes of depreciation ?

(4 × 2 = 8)

Part D

Answer any two questions in this part.

Each question carries weight 4.

31. On 1st January 2002 HK Limited purchased some Machinery for Rs. 8,000 and spent Rs. 1,000 on repainting and reconditioning them. The Company decided to provide depreciation on Machinery at 20 % on Diminishing Balance Method.

On 1st March 2004 they sold part of the Machinery which originally cost Rs. 3,000 for Rs. 1,800.

The Company closes its books of accounts on 31st December, every year.

Prepare the Machinery Account for the years 2002 to 2005.

Turn over

32. From the undernoted Trial Balance of a trader as on 31-12-1990, prepare a Trading and Profit and Loss Account for the year ended 31-12-1990 and a Balance Sheet as on that date.

TRIAL BALANCE					
		Rs.			Rs.
Cash in hand	....	1,200	Capital	....	80,000
Purchases	....	1,20,000	4 % Bank Loan	....	20,000
Opening Stock	....	35,000	Bills Payable	....	22,000
Sundry Debtors	....	50,000	Sundry Creditors	....	24,000
Plant and Machinery	....	60,000	Sales	....	2,00,000
Furniture	....	15,000	Bad Debts Reserve	....	1,200
Bills Receivable	....	20,000			
Rent and Taxes	....	10,000			
Wages	....	16,000			
Salaries	....	20,000			
		<u>3,47,200</u>			<u>3,47,200</u>

Additional Information Supplied :

- (i) Closing Stock Rs. 40,000.
 - (ii) Provide outstanding liabilities : Rent and Taxes Rs. 2,000 ; Wages Rs. 3,000 ; Salaries Rs. 4,000
 - (iii) Depreciation on Plant and Machinery at 5 % ; On Furniture at 10 %.
 - (iv) Write off Rs. 500 as bad debts.
 - (v) Create bad debts reserve at 2.5 % on Sundry Debtors.
33. What do you mean by 'Double Entry System' of Book-keeping ? Explain it clearly. Enumerate its advantages and disadvantages.

(2 × 4 = 8)