



QP CODE: 22102131

Reg No :

Name :

**BBA DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE EXAMINATIONS,
JULY 2022**

First Semester

Bachelor of Business Administration

Core Course - BA1CRT02 - BUSINESS ACCOUNTING

2017 Admission Onwards

A46E10F6

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Is accounting a science or art ? Explain.
2. State the functions of accounting.
3. Why journal is known as the books of original entry ?
4. What is single column cash book?
5. What is petty cash book?
6. Write the objectives for providing depreciation .
7. What do you meant by provision?
8. How will you treat carry inwards and carry outwards?
9. How will you treat bad debts in final accounts?
10. What is the importance of Bills of exchange?
11. What is Endorsement?
12. What is meant by dishonour of bill by non acceptance ?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. 'Entity' and 'continuity' concepts are inter related? Comment.
14. Prove accounting equation from the following transaction
- a) Commence business with cash Rs 1,00,000
 - b) Purchased Machinery Rs 40,000
 - c) Purchased goods for cash Rs 14,000
 - d) Purchased goods for credit from Sahal Rs 50,000
 - e) Sold goods for cash Rs 25,000 (goods costing Rs 22,500)
 - f) Sold goods on credit Rs 15,000
 - g) Interest received Rs 500
 - h) Wages paid Rs 1,500
 - i) Withdrew money for personal purpose Rs 1,000
15. Distinguish between single entry system and double entry system
16. From the following ledger account balance, prepare trial balance on 30-06-2016
- | | |
|---|-------|
| Provision for doubtful Debts | 200 |
| Bank Over Draft | 1654 |
| Capital | 4591 |
| Creditors | 1637 |
| Debtors | 2983 |
| Discount received | 252 |
| Discount Allowed | 733 |
| Drawings | 1200 |
| Office furniture | 2155 |
| General Expense | 829 |
| Purchases | 10923 |
| Return Inward | 330 |
| Rent | 314 |
| Salary | 2520 |
| Wages | 1175 |
| Stock | 2418 |
| Provision for depreciation on furniture | 364 |
| Sales | 16882 |
17. What do you mean by Bank reconciliation statement. Explain its need.
18. Distinguish between straight line method and diminishing balance method
19. What do you mean by liabilities? Give examples.
20. On 1st June 2014, J draws a 3000 on S. S accepts and returns the same to J on same





date. On 4th June, J discounted the bill with his bank for Rs. 2850. On the due date, the bill was honoured by payment. You are required to give journal entries in the books of J & S.

21. X drew a bill on 1.4.18 for Rs 13,000 on Y for 3 months. Y accepted the bill and returned it to X. X sent the bill to the bank for collection. After maturity X received intimation from the bank that the bill was duly honoured by Bank and bank charge was Rs 25 for collection. Show entries in the books of X and Y.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Define double entry system of accounting and explain the advantages?
23. On 28th February 2016, Cash book of Revi showed a debit balance of Rs. 4500. On checking his cash book with pass book, the following items are differences were traced. Prepare bank reconciliation statement.
- 1) Cheque issued but not presented for payment. Rs. 800
 - 2) Interest on investments collected by the bank Rs. 900
 - 3) Bank charges seen only in pass book Rs. 60
 - 4) Direct payment by a customer to the bank Rs. 350
 - 5) Cheque deposited for collection, but not collected Rs. 1700
 - 6) Discounted bills dishonoured only in the pass book Rs. 650
 - 7) A cheque from Mohan for Rs. 250 was paid in on 26th February but was dishonoured and advice was received on 2nd March, 2016.
24. On 31 December 2015, the bank overdraft as per pass book was Rs. 18,000. Prepare Bank Reconciliation Statement.
- 1) Interest and dividend credited in the pass book was Rs. 4,100.
 - 2) Of the three cheques of Rs. 7,700, Rs. 9,500, and Rs. 9,200, issued in December, the cheque of Rs. 9,000 only is encashed in December 2015.
 - 3) Interest on investments credited in pass book Rs. 710
 - 4) Interest on overdraft not recorded in the cash book Rs. 1700.
 - 5) Cheque issued in December but not recorded in cash book Rs. 610.
 - 6) Bank had debited my account for their service charges with an amount of Rs. 170.
 - 7) One of my customer Mr. Ram had paid in to my credit an amount of Rs. 720 and had been found recorded only in my pass book.
25. Mithra and company gives you the following ledger balances. Prepare their final accounts.





	Rs.	Rs.
Cash in hand	500	
Cash at bank	750	
Sales		55000
Purchases	30000	
Wages	2250	
Salaries	3000	
Returns inwards	250	
Returns outwards		300
Rent	750	
Postage	800	
Carriage inwards	500	
Carriage outwards	100	
Interest on loan	350	
Depreciation on various assets	1500	
Plant and machinery	24000	
Buildings	12500	
Furniture	2500	
Freight and duty	150	
Electricity	400	
Capital		25000
Debtor/ Creditors	10000	8000
Interest on deposits		2000
Total	90300	90300

Additional information:

1. Provide 5% on debtors for bad debts.
2. Interest on loan is outstanding to the extent of Rs. 350.
3. Rent is paid in advance upto Rs. 150.
4. Charge 5% as discount on debtors.
5. Closing stock is valued at Rs. 23000.

(2×15=30)

