

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2014**First Semester****Core Course : BUSINESS ACCOUNTING****(2013 Admission onwards)****Time : Three Hours****Maximum : 80 Marks****Part A***Answer all questions.**Each question carries 1 mark.*

1. What is the principle of accounting ?
2. What is Net Worth ?
3. What is Contingent Liability ?
4. Who is a Debtor ?
5. What is Goodwill ?
6. What are Goods ?
7. What is Narration ?
8. What is a ledger ?
9. What is Double Entry ?
10. What is Trade Discount ?

(10 × 1 = 10 marks)**Part B***Answer any eight questions.**Each question carries 2 marks.***Explain the terms :**

11. Capital.
12. Reserves.
13. Debentures.
14. Current asset.
15. Current liability.
16. Accounts receivable.

Turn over

17. Creditors.
18. Bad debts.
19. Provision for bad and doubtful debts.
20. Outstanding expenses.
21. Accrued Income.
22. Income received in advance.

(8 × 2 = 16 marks)

Part C

*Answer any six questions.
Each question carries 4 marks.*

23. Define accounting. Explain its functions.
24. Explain briefly the recording bill transaction methods.
25. What is depreciation ? Explain its importance.
26. Explain the accounting concepts and conventions.
27. Briefly explain the limitations of business accounting.
28. Distinguish between single entry and double entry system of book-keeping.
29. Write short notes on Written Down Value Method of Depreciation.
30. Write short notes on Generating Accounting Reports.
31. Explain briefly how transactions can be recorded.

(6 × 4 = 24 marks)

Part D

*Answer any two questions.
Each question carries 15 marks.*

32. Write short notes on :
 - (a) Reserves and provisions.
 - (b) Final accounts of sole trader.
 - (c) Promissory notes.

33. The Trial Balance of Mr. Eknath, Matunga as on 31st March, 2010 was as follows :

<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Credit (Rs.)</i>
Mr. Eknath's Capital	—	2,50,000
Mr. Eknath's Drawing	7,500	—
Investment	1,00,000	—
Motor Vehicle	80,000	—
Office Furniture	20,000	—
Office Equipment	60,000	—
Cash in Hand	5,500	—
Purchases	4,75,000	—
Sales	—	7,55,000
Returns	15,000	10,000
Carriage	3,500	—
Opening Stock as on 1 st April	1,40,000	—
Rent	30,000	—
Debtors	1,76,000	—
Salaries	25,000	—
Trade Expenses	3,000	—
General Expenses	6,000	—
Bad Debts	2,500	—
Reserve for Bad Debts	—	7,500
Discount	1,000	500
Creditors	—	1,26,000
Prepaid Insurance	1,000	—
Outstanding Salaries	—	2,000
	11,51,000	11,51,000

Turn over

Adjustments :

- (1) Closing Stock as on 31st March, 2010 was valued at Rs. 80,000.
- (2) Depreciation on Motor Vehicle and Office Furniture at 5 % p.a. and Office equipment at 10 % p.a. was to be provided.
- (3) Create 5 % for Reserve for Bad Doubtful Debts on Debtors.

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2010 and Balance Sheet as on that date of Mr. Eknath, Matunga.

34. Enter the following transactions of Yogesh Traders, Yeola in the Cash Book with Cash, Bank and Discount Columns and balance the same for October, 2014 :

- 1 Commenced Business with Cash Rs. 10,000 and Bank Rs. 15,000 by Yogesh.
- 4 Bought Office Chairs for Rs. 800 from Deco Home for domestic purposes.
- 8 Issued a crossed cheque of Rs. 1,890 to Yogiraj after deducting 10 % Cash Discount for purchase of goods.
- 10 Received a cheque of Rs. 920 and cash of Rs. 200 from Yasin in full settlement of Rs. 1,150.
- 15 Paid by cheque to Yogeshwar Rs. 1,300 for payment of Salary and Travelling Expenses Rs. 400.
- 19 Bank has credited our account with dividend of Rs. 500.
- 24 Received a crossed cheque of Rs. 570 from Ram in full settlement of Rs. 610.
- 31 Yogendranath paid Rs. 1,200 directly in to our Bank A/c.

35. Journalise the following transactions in the books of Ranjit Traders for the month of March, 2014 :

March, 2014

- 1 Started business with Cash Rs. 40,000 and Furniture Rs. 10,000.
- 7 Purchased goods from Ajay Traders Rs. 10,000 at 10 % Trade Discount for Cash.
- 10 Borrowed Rs. 20,000 from Vidya Bank.
- 16 Purchased machinery from Sunil Traders for Rs. 11,000 on credit and paid installation charges Rs. 500 in cash.
- 20 Purchased a watch dog from Nitin for Rs. 2,800 in cash to guard the business premises.
- 22 Goods worth Rs. 700 were distributed as free samples.
- 24 House Rent of Rs. 1,500 paid to Raghu by cheque.
- 31 Sold goods for cash to Manik worth Rs. 3,000 at 10 % Cash Discount and 20 % Trade Discount.

(2 × 15 = 30 marks)