



UN – 415

14

I Semester B.B.M. Examination, November/December 2015
(Semester Scheme) (Repeaters) (Prior to 2012-13)

BUSINESS MANAGEMENT

Paper – 1.4 : Fundamentals of Accounting

100 – 2011-12 Only

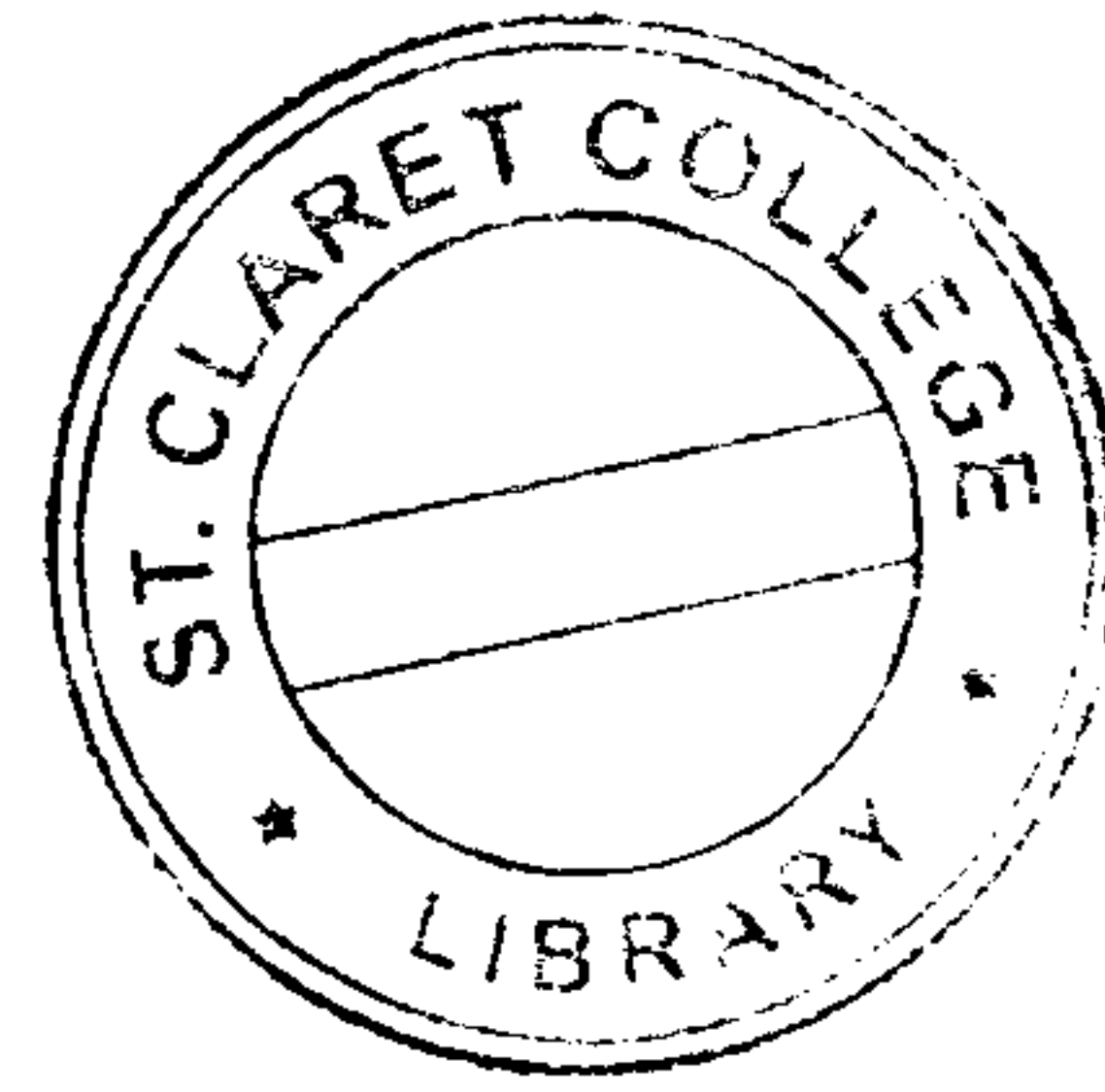
90 – Prior to 2011-12

Time : 3 Hours

Max. Marks : 100/90

- Instructions :** 1) Answers should be written in **English only**.
2) Section **A, B and C** to be answered by **all repeaters (90 marks)**.
3) Section **D** is to be answered by **2011-12 students only (100 marks)**.

SECTION – A



Answer **any 10** sub-questions. **Each** carries **2** marks.

(10×2=20)

1. a) Mention any two advantages of accounting.
- b) Give the meaning of GAAP.
- c) What are the systems of book-keeping ?
- d) Who is a creditor ?
- e) Mention any two features of Bank Reconciliation Statement.
- f) What is posting ?
- g) How do you treat the wages paid in advance in final accounts ?
- h) Mention any two types of accounting errors.
- i) What is meant by credit note ?
- j) Give the types of cash book.
- k) What is the rule applicable to nominal accounts ?
- l) What are the final account of sole trading concern ?

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SECTION – B

Answer **any 5** of the following. **Each** carries **five** marks.

(5×5=25)

2. Explain the need for Accounting.
3. Distinguish between journal and subsidiary books.
4. Classify the following into personal, real and nominal accounts.
 - a) Salaries A/c
 - b) Investment A/c
 - c) Rent A/c
 - d) Drawings A/c
 - e) Wages outstanding A/c
 - f) Raman's A/c
 - g) Bank loan A/c
 - h) Building A/c
 - i) Machinery A/c
 - j) Freight A/c.
5. Enter the following transactions in Purchase Book.
 - i) June 10, 2015 Goods purchased from Chandra Traders, Bangalore for Rs. 10,000/-.
 - ii) June 14, 2015 Bought 100 kg of Sugar at Rs. 40 per kg from Vismaya Stores, Mysore.
 - iii) June 18, 2015 Bought 10 bags of rice at Rs. 1,500 per bag from Vinayaka stores, Mysore.
 - iv) June 25, 2015 Bought goods from Ganesha stores, Mysore for Rs. 10,000/-
6. From the following information prepare Mohan's A/c.
2015
 - July 5 Debit balance (b/d) Rs. 7,000
 - July 8 Sold goods to Mohan on credit Rs. 20,000/-
 - July 12 Received cash from Mohan Rs. 15,000/-
 - July 20 Purchased goods from Mohan on credit Rs. 10,000/-
 - July 25 Paid cash to Mohan Rs. 6,000.



7. Prepare Trial Balance of Venu as on 31-12-2014 from the following balances :

Particulars		Particulars	
Wages and salaries	20,000	Sales	1,00,000
Purchases	80,000	Fixed assets	50,000
Stock	40,000	Capital	63,000
Reserve fund	10,000	Sales returns	4,000
Purchase returns	3,000	Bank balance (Dr.)	2,000

8. Rectify the following errors :

- a) Rs. 2,000 spent on erection of building was posted to Repairs Account.
- b) Rs. 5,000 being cash paid to Ram was debited to Krishna.
- c) Goods purchased for personal use was debited to Wages A/c.
- d) Carriage of Rs. 100 paid on the purchase of a machine debited to Carriage A/c.

SECTION – C

Answer **any three** of the following. **Each** question carries **fifteen** marks. **(3×15=45)**

9. Journalise the following transactions :

2014

- May 2 Ramu commenced business with capital of Rs. 80,000
- May 4 Bought goods for cash Rs. 20,000
- May 6 Paid wages Rs. 10,000
- May 9 Bought goods from Ramesh Rs. 15,000
- May 11 Sold goods for cash Rs. 30,000
- May 13 Paid postage Rs. 1,000
- May 14 Purchased goods for cash Rs. 20,000
- May 17 Sold goods to Ravi Rs. 15,000



- May 20 Paid rent and taxes Rs. 2,000
 May 23 Purchased goods for Rs. 10,000 and issued cheque
 May 26 Paid commission Rs. 2,000
 May 28 Paid office expenses Rs. 5,000
 May 30 Sold goods to Yadav Rs. 10,000

10. Yogesh a retail trader has no proper methods of accounting, but the following information is made available to you.

Particulars	1-4-2014	31-03-2015
Sundry creditors	15,400	14,000
Bank overdraft	20,000	19,000
Sundry debtors	11,200	10,500
Stock	16,700	18,500
Cash	250	1,200
Bills receivable	15,000	14,200
Furniture	1,500	1,500
Motor van	1,900	1,900

Adjustments :

- Drawings amounted to Rs. 2,500.
- Debtors Rs. 500 is irrecoverable further reserve of 5% is to be made.
- Depreciate furniture by 10%, write off Rs. 300 from motor van.

Prepare a statement of Profit or Loss for the period and draw up the statement of affairs as on 31-03-2015.

11. Record the following transactions in an analytical petty cash on the imprest system :

2014

- February 1 Balance in hand Rs. 50
 " 1 Cheque received from cashier for petty Rs. 800
 " 3 Purchased postal stamp Rs. 100
 " 4 Advance given to Ramu attender RS. 50
 " 5 Bought pencils, ink and paper Rs. 80
 " 8 Payment made to United printers Rs. 70



- ” 10 Payment made to Govindu for their bill for advertisement Rs. 150
- ” 15 Payment made towards subscription of newspaper Rs. 90
- ” 18 Cost of telegram sent to B'lore Rs. 30
- ” 20 Paid for office lighting Rs. 30
- ” 22 Paid for carriage Rs. 50
- ” 25 Paid to Ratnakar on account Rs. 50
- ” 28 Detergents purchased Rs. 40

12. From the following Trial Balance of Vinay traders, prepare Trading and Profit and Loss A/c for the year ended 31-12-2014 and Balance Sheet as on that date.

Trial Balance

Particulars	Debit	Credit
Capital and drawings	5,000	60,000
Opening stock	20,000	—
Purchases and sales	1,00,000	1,50,000
Bills payable and bills receivables	5,000	6,000
Returns	4,000	2,000
Debtors and creditors	20,000	15,000
Machinery	30,000	—
Furniture	10,000	—
Cash in hand	2,000	—
Carriage inwards	2,000	—



Wages	4,000	—
Salaries	12,000	—
Printing and stationery	3,000	—
Discounts	3,000	10,000
Buildings	23,000	—
	2,43,000	2,43,000

Adjustments :

- Closing stock Rs. 25,000
 - Write off Rs. 1,000 as bad debts and create a provision for doubtful debts at 5% debtors.
 - Outstanding salaries Rs. 1,000
 - Wages prepaid Rs. 500
 - Depreciate building at 10% and machinery at 5% p.a.
13. Enter the following transactions in a cash book with discount and bank columns assuming that all receipts are banked immediately and all payments are made by cheques.

2014

- March 1 Amount deposited into bank Rs. 10,000
- " 2 Bought goods for cash Rs. 3,000
- " 5 Sold goods for cash Rs. 2,000
- " 7 Purchased office furniture Rs. 500
- " 8 Received commission Rs. 100
- " 10 Received cheque from Narayana for Rs. 900
in full settlement of his account Rs. 1,000
- " 12 Issued cheque to Nemichand for Rs. 880
in full settlement of their account for Rs. 900
- " 15 Drew for personal use Rs. 1,000



- ” 17 Sold goods to Krishna for Rs. 2,000 and received the cheque for the same
- ” 20 Made cash purchases Rs. 800
- ” 25 Paid office rent Rs. 300
- ” 28 Received payment from Mohan Rs. 950 in full settlement of his account Rs. 1,000
- ” 31 Paid office salaries Rs. 500

SECTION – D

(To be answered by 2011-12 batch only)

Answer the following question.

(1×10=10)

14. From the following transactions prepare proper subsidiary books :

Date 2014

July	2	Bought from Kishore	Rs.20,000
”	4	Sold to Vimal	Rs.15,000
”	6	Sold to Kumar	Rs.10,000
”	7	Vimal returned goods	Rs. 2,000
”	9	Purchased from Nagaraj	Rs.10,000
”	11	Goods returned by Kumar	Rs. 1,000
”	13	Sold to Narayan	Rs. 7,000
”	15	Goods returned to Naveen	Rs. 1,500
”	17	Narayan returned goods	Rs. 500
”	19	Goods returned to Kishore	Rs. 1,500
”	20	Purchased goods from Jayaraj	Rs. 5,000
”	22	Sold goods to Vimal	Rs. 4,500
”	25	Goods returned to Jayaraj	Rs. 800
”	30	Purchased goods from Nagaraj	Rs. 5,000