Roll No:
Date:_ _/_/_ _

St. Claret College

Autonomous, Bengaluru

UG END-SEMESTER EXAMINATION-DECEMBER 2024
BBA- I SEMESTER
BM1124: FUNDAMENTALS OF ACCOUNTING

TIME: 3 hours. 8 **MAX. MARKS: 80**

This paper contains FIVE printed pages and FOUR parts

Instructions:
1. Verify and ensure that the question paper is completely printed. **2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.** **3. Students must check the course title and course code before answering the question paper.**

PART-A

Answer TEN questions. Each answer carries ONE mark. [10 x 1 =10]

1. Profit is considered as a liability based on.
   a) separate entity concept b) matching concept
   c) accrual concept, d) going concern concept

2. Ledger Account is prepared after ___
   a) Passing journal entries, b) Preparing Ledger c) Preparing Final Accounts d) All of them

3. Machinery Account is?
   a) Personal A/c b) Nominal A/c c) Real A/c d) Income A/c

4. Credit note is the basis for recording ____________ book
   a) Purchases, b) Purchase Returns c) Sales Returns d) Sales

5. The assets that can be converted into cash within a short period (i.e. 1 year or less) are known as:
   a) Intangible assets b) Fixed assets
   c) Investments d) Current assets

6. The following is not a type of liability
   a) Fixed Assets b) Current Assets
   c) Contingent d) Short term

7. In journal, the business transaction is recorded
   a) Same day   b) Once in a month
   c) Once in a week   d) Next day

8. While preparing balance sheet under which head do you show outstanding expenses.
   a) proprietor's funds   b) long term borrowings
   c) current liabilities   d) none of the above

9. Under analytical petty cash book for recording similar type of expenses a separate _______ is maintained.
   a) row   b) column   c) sheet   d) margin

10. Balance sheets are prepared.
   a) Monthly   b) Annually   c) Weekly   d) Daily

PART-B

Answer any THREE questions. Each answer carries EIGHT marks. [3 x 8 = 24]

11. What is accounting process or accounting cycle?

12. Classify the following into personal, real or nominal account.
   a) Ram's A/c, b) Vijaya Bank A/c, c) Capital A/c, d) Drawings A/c, e) Purchases A/c,
   f) Buildings A/c, g) Discount Allowed A/c, h) Furniture A/c.

13. From the following ledger balances, prepare Trial Balance as on 31st March 2024.
   Capital 50,000. Sales 30,000. Purchases 20,000. Salaries 5,000. Stock 10,000. Debtors 5,000. Creditors 7,500. Buildings 40,000. Bank Loan 12,500. Machinery 20,000.

14. Enter the following transactions in a simple cash book and balance it.
   01-04-2024 Balance of cash in hand ₹. 25,000
   10-04-2024 Cash Sales ₹. 20,000
   17-04-2024 Purchased goods for cash ₹. 15,000
   25-04-2024Paid Ammu ₹. 10,000
   30-04-2024 Paid Wages ₹. 8,000

15. Prepare Profit & Loss Account from the following particulars relating to the year ending 28th February 2024.

Particulars	**Amount in Rs (₹)**
Gross Profit	1,40,000
Salaries	28,000
Administration Expenses	10,000
Selling Expenses	20,000
Maintenance expenses	5,000
Commission received	7,000
Sundry Office expenses	10,000

PART-C

Answer any THREE questions. Each answer carries TWELVE marks. [3 x 12 =36]

16. Journalise the following transactions in the books of Daruna International.

January 2023	Particulars	Amount (Rs)
1	Started business with cash	50,000
5	Purchased Machinery	20,000
7	Sold goods at	9,500
8	Paid into Bank to open a current account	20,000
10	Purchased goods by payment of cash	7500
15	Cash sales	12,000
19	Purchased goods from Manohar	9000
21	Sold goods to Pushpa	10,000
25	Goods returned to Manohar	500
27	Issued a cheque to Manohar	4000
29	Purchased goods from Mr. Mohan	5,000
30	Paid Salaries	2000

17. Prepare subsidiary books from the following data in the books Padma Stationeries.

1/4/2023	Purchased stationery from Ram Traders ₹.20,000
3/4/2023	Sold stationery to Shuba Traders ₹.50,000
7/4/2023	Bought goods from Shiva Enterprises ₹. 24,000, Less trade discount, 5%
11/4/2023	Returned goods to Ram Traders ₹. 2,000
14/4/2023	Goods returned by Shiva Enterprises ₹. 4,000
17/4/2023	Goods returned to Shuba Traders ₹. 3,000
20/4/2023	Purchased stationery from Saraswathi Enterprises ₹. 60,000
22/4/2023	Purchased goods to Saraswathi Enterprises ₹. 5,000
24/4/2023	Sold goods to Raghu Stationeries ₹. 30,000, Less trade discount, 10%
29/4/2023	Raghu Stationeries returned goods worth ₹. 1000 Purchases and sales have been made within the State and GST is charged at 5%.

18. On 31st March 2023, the Cash Book of Sree Naveen showed a balance of ₹ 10,500. On comparing with the Pass Book, it was ascertained:

i. Cheques issued prior to that date ₹ 5,000/- not presented for payment during March.

ii. Cheques sent for collection during March 2022, but were collected and credited in January 2023 ₹ 300

iii. In the Pass Book there is a credit of ₹ 120 for interest on deposits and a debit of ₹ 200 for bank charges.

iv. A wrong debit of ₹ 1,500 found in pass book

v. Insurance premium paid directly by Bank under standing advice ₹ 550.

Prepare Bank Reconciliation Statement on 31-03-2023.

19. From the following Trial Balance extracted from the books of Mr. Chinmay. Prepare Statement ofProfit & Loss A/c for the year ending 31st March 2019 and Balance Sheet as on that date.

Particulars	Debit (Rs.)	Credit(Rs.)
Capital	-	1,00,000
Drawings	5,000	-
Plant & Machinery	80,000	-
Debtors	30,000	
Creditors		50,000
Cash in hand & @ Bank	10,000	-
Furniture	15,000	
Salaries	15,000	-
Repairs	8,000	
Rent	5,000	-
Stock 31-03-2019	30,000	-
Bills Receivable	20,000	-
Bad-debts	2,000	-
Commission Received	-	5,000
Advertisement	5,000	
Gross Profit		70,000
	2,25,000	**2,25,000**

Adjustments:

a) Rent paid in advance Rs.500
b) Depreciate Plant & Machinery and Furniture by 10% each.
c) Allow interest on capital at 10 % p.a

20. Prepare Ram's & Shyam's account in the books of Shyam & Ram respectively. 2024 July 1 Opening balance of Shyam to Ram ₹4,500.

Jul-03	Ram sold goods to Shyam ₹6000.	Jul-15	Shyam sold goods to Ram ₹2500.
Jul-06	Shyam returned goods to Ram ₹500.	Jul-18	Shyam paid cash to Ram ₹1500.
Jul-11	Ram received from Shyam ₹5300 in full settlement of ₹5500.	Jul-30	Ram returned goods to Shyam ₹150.

PART-D

Answer the following question. This answer carries TEN marks. [1 x 10 = 10]

21. Sunny owns a small stationery shop near a school. He sells items like notebooks, pens, pencils, and other school supplies. As exams approach, his shop gets busier, but he finds it challenging to keep track of his profits and expenses. Recently, Sunny noticed that while his sales increased, his bank balance did not grow as expected. He wonders if his shop is making enough profit and how he can improve his financial situation.

Financial Data:

- Revenue (Sales): ₹60,000 per month

• Fixed Monthly Expenses:	• Variable Costs (monthly):
Rent: ₹8,000	Cost of Goods Sold: ₹30,000
Staff Salary: ₹12,000	Miscellaneous Expenses: ₹2,000

Questions

1. Calculate Sunny's total monthly expenses. Why is it important for him to know this amount?
2. Calculate Sunny's monthly profit using the formula:
   Profit = Revenue − (Fixed Expenses +Variable Costs)
3. What could Sunny do to increase his profit without raising prices?

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