

**I Semester B.B.A. Examination, March/April 2023
(NEP)**

(2021 – 22 and Onwards) (F+R)

BUSINESS ADMINISTRATION

Paper – 1.2 : Fundamentals of Accountancy

Time : 2½ Hours

Max. Marks : 60

Instruction : Answers should be written in English only.

SECTION – A

I. Answer any 6 sub-questions. Each sub-question carries two marks. (6×2=12)

- 1) a) What is accounting period concept ?
- b) List any four Indian Accounting Standards.
- c) What do you mean by journal ?
- d) What do you mean by 'Double Entry System' ?
- e) What is credit note ?
- f) What is petty cash book ?
- g) Give the meaning of prepaid expenses.
- h) What is Gross profit ?

SECTION – B

II. Answer any 3 questions. Each question carries four marks. (3×4=12)

- 2) Distinguish between single entry system and double entry system of book keeping.
- 3) Explain Accounting cycle.
- 4) Prepare a Trial Balance with the following information.

	₹
Capital	2,00,000
Cash	1,80,000
Stock	70,000
Debtors	3,00,000
Creditors	1,00,000
Bank loan	1,50,000
Sales	3,00,000
Purchases	2,00,000



- 5) Prepare personal account of Mr. Ram from the following transactions.
2022

March 1 Debit balance of Ram account ₹ 32,000
 3 Bought goods from Ram ₹ 6,000
 5 Goods worth ₹ 9,000 sold to him.
 9 paid to Ram ₹ 7,300
 12 Returned goods to him ₹ 730
 25 Ram sold goods to us worth ₹ 8,000

- 6) Ascertain Gross profit from the following particulars.

	₹
Opening stock	20,000
Closing stock	30,000
Purchases	80,000
Purchases Returns	2,000
Sales	1,60,000
Sales Returns	3,000
Carriage inwards	2,000
Carriage outwards	4,000

SECTION – C

- III. Answer any 3 questions. Each question carries twelve marks. (3×12=36)

7) What is meant by Accounting ? Explain in brief the users of accounting information.

- 8) Enter the following transactions in a three column Cash Book.

2022

Jan. 1 – Balance of cash ₹ 29,000 and bank balance ₹ 11,500
 3 – Sold goods for cash ₹ 5,000
 6 – Purchase goods from Bhushan for cash ₹ 8,000
 8 – Cash paid into bank ₹ 6,000
 11 – Paid office rent by cheque ₹ 6,000
 15 – Received ₹ 3,000 from Chitra and allowed discount ₹ 100
 17 – Cash withdrawn for personal use ₹ 2,000
 19 – Cash paid to Raghav ₹ 1280 and discount received ₹ 70
 20 – Sold goods to Abhishek for Cash ₹ 3,000
 28 – Paid salary by cheque ₹ 900



9) Enter the following transactions in the proper subsidiary books.
2022

- Jan. 1 – Purchased goods from Sharath ₹ 3,500
- 2 – Bought from Kiran ₹ 4,500 on account less 10% discount
- 4 – Sold goods to Ashwin ₹ 4,500
- 6 – Returned defective goods to Kiran ₹ 1,000 (Gross)
- 7 – Sold goods to Sunder ₹ 4,000
- 10 – Sunder Returned defective goods ₹ 1,000
- 12 – Sold goods to Raju and sons on account ₹ 15,000
- 15 – Purchased goods from Anand ₹ 10,000
- 18 – Dinesh bought from us on account ₹ 5,000
- 19 – Sent a credit note to Dinesh ₹ 1,000
- 24 – Cash sale to Vinay ₹ 3,000
- 25 – Bought 15 units from Jayanth @ ₹ 200 per unit.
- 26 – Returned to Jayanth 2 damaged units
- 30 – Purchased goods from Raghu ₹ 4,000

10) From the following balances extracted from the books of Mrs. Hema as on 31st March 2022. Prepare a Trial balance.

	₹
Bopal's capital	35,000
Purchases	40,000
Rent paid	1,200
Bhopal's Drawing	2,000
Bills receivable	6,000
Opening stock	5,000
Purchase returns	1,400
Sales Returns	800
Plant and Machinery	20,000
Sales	48,000
Sundry debtors	28,000
Furniture	2,500
Salaries	3,600
Sundry Creditors	28,000
Carriage	500



Insurance	700
Cash in hand	9,750
Cash at bank	200
Bills payable	7,900
Discount Received	150
Discount allowed	200

- 11) From the following balances extracted from the books of Mr. Prasad prepare Trading and Profit and Loss Account and Balance Sheet as on 31st March 2022.

Particulars	Debit ₹	Credit ₹
Capital and drawings	10,000	60,000
Bank overdraft	—	8,400
Furniture and fittings	5,200	—
Business premises	40,000	—
Debtors and Creditors	36,000	26,000
Stock on 1-4-2021	44,000	—
Rent	—	2,000
Purchases and sales	2,20,000	3,00,000
Returns	4,000	—
Discount	3,200	4,000
Taxes and insurance	4,000	—
General expenses	8,000	—
Salaries	18,000	—
Commission	4,400	—
Carriage on purchases	3,600	—
Reserve for doubtful debts	—	1,000
Bad debts	1,000	—
	4,01,400	4,01,400

Adjustments :

- I) Stock on hand on 31-3-2022 ₹ 40,120.
- II) Depreciate business premises by ₹ 600 and furniture and fittings by 10%.
- III) Make reserve for doubtful debts at 5% on debtors.
- IV) Allow interest on capital at 5%.
- V) Unexpired insurance ₹ 1,400.