



**I Semester B.B.A. Examination, February/March 2024  
(NEP) (F+R)**

**BUSINESS ADMINISTRATION**

**Paper – 1.2 : Fundamentals of Accountancy**

Time : 2½ Hours

Max. Marks : 60

**Instruction** : Answer should be written in **English only**.

**SECTION – A**

1. Answer **any six** sub-questions. **Each** sub-question carries **two** marks. **(6×2=12)**
- State any two objectives of Accounting.
  - What do you mean by Journal ?
  - What is simple cash book ?
  - What is Debit Note ?
  - Give the meaning of prepaid expenses.
  - What do you mean by Double Entry System ?
  - Write the meaning of Balance Sheet.
  - What is Net Profit ?

**SECTION – B**

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

- Explain Accounting cycle.
- Explain different types of cash book.
- Prepare personal account of Mr. Thomson from the following transactions.

2023

- March 1 Debit balance of Thomson account ₹ 1,60,000  
4 Bought goods from Thomson ₹ 30,000

2022

- March 7 Goods worth ₹ 45,000 sold to him  
13 Paid to Thomson ₹ 36,000  
17 Returned goods to him ₹ 3,600  
26 Thomson sold goods to us worth ₹ 40,000



5. Enter the following transactions in the purchase book.
- 2023 Aug. 1 Purchased from Avinash, Mumbai 200 bags of Dal at ₹ 1,000 per bag.
- 2023 Aug. 11 Purchased from Shankar, Shimoga 300 bags of wheat at ₹ 400 per bag.
- 2023 Aug. 17 Purchased from Bharath, Bangalore 100 bags of rice at ₹ 3,000 per bag.
- 2023 Aug. 27 Purchased from Madhu, Mysore 1000 bags of rice at ₹ 2,800 per bag.
6. The following balances have been extracted from the books of M/S Jayanthi Pvt. Ltd. Hyderabad on March 2023. You are required to draw out a Trial Balance.

Particulars	₹	Particulars	₹
Capital	11,60,000	Purchases	2,25,000
Cash in hand	1,20,000	M/S Kiran A/c (Dr.)	3,00,000
Udaya (Cr.)	80,000	General Expenses	75,000
Furniture	1,00,000	Land and Building	12,55,000
Stock	70,000	Return Inwards	25,000
Drawings	50,000	Advertisement	60,000
Commission Received	13,000	Salaries	35,000
		Discount (Cr.)	2,000

## SECTION – C

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

7. Explain objectives and functions of Accounting.
8. Enter the following transactions in a three column cash book.
- 2023 March 1 – Balance of cash ₹ 2,90,000 and bank balance ₹ 1,15,000
- 4 – Sold goods for cash ₹ 50,000
- 8 – Purchased goods from Bhavya for cash ₹ 80,000
- 10 – Cash paid into bank ₹ 60,000
- 14 – Paid office rent by cheque ₹ 60,000
- 16 – Received ₹ 30,000 from Chitra and allowed discount of ₹ 1,000
- 19 – Cash withdrawn for personal use ₹ 20,000
- 21 – Cash paid to Raj ₹ 12,800 and discount received ₹ 700
- 23 – Sold goods to Abhi for cash ₹ 30,000
- 27 – Paid salary by cheque ₹ 9,000



9. From the following Trial Balance of a trader on 31<sup>st</sup> March 2023. Prepare Trading and Profit and Loss Account for the year ended 31-3-2023 and Balance Sheet as on that date.

Particulars	Debit (₹)	Particulars	Credit (₹)
Cash in hand	1,200	Capital	60,000
Purchases	1,00,000	4% Bank loan	20,000
Opening stock	35,000	Bills payable	20,000
Sundry Debtors	50,000	Sundry creditors	24,000
Plant and Machinery	60,000	Sales	2,00,000
Furniture	15,000	Bad debts reserves	1,200
Bills Receivable	18,000	Rent outstanding	1,000
Rent and Taxes	10,000		
Wages	16,000		
Wages prepaid	1,000		
Salaries	20,000		
	<b>3,26,200</b>		<b>3,26,200</b>

**Additional Informations :**

- a) Create reserve for doubtful debts at 5% on sundry debtors.
- b) Write off ₹ 500 bad debts.
- c) Depreciate plant and machinery at 5% and furniture at 10%.
- d) Provide outstanding liabilities : Taxes ₹ 2,000 and Salaries ₹ 4,000.
- e) Closing stock ₹ 40,000.



10. From the following balances extracted from the books of Mr. Farniband as on 31<sup>st</sup> March 2023, prepare a Trial Balance.

Particulars	₹
Yallappa capital	3,50,000
Purchases	4,00,000
Rent paid	12,000
Yallappa's Drawings	8,500
Bills Receivable	60,000
Opening stock	50,000
Purchase returns	14,000
Sales Return	8,000
Plant and Machinery	2,00,000
Sales	4,80,000
Sundry Debtors	2,80,000
Furniture	25,000
Salaries	36,000
Sundry Creditors	2,80,000
Carriage Inwards	5,000
Insurance	7,000
Cash in hand	97,500
Cash at bank	2,000
Bills payable	79,000
Discount received	1,500
Discount allowed	2,000

11. Journalise the following transactions.

- 2023 Oct. 01 – Arun started business with ₹ 10,00,000  
 03 – Paid into bank ₹ 8,00,000  
 04 – Bought goods for ₹ 5,00,000  
 08 – Sold goods at ₹ 7,50,000  
 10 – Purchased goods from Uday ₹ 7,00,000  
 12 – Sold goods to Karthik ₹ 12,00,000  
 14 – Received cash from Mr. Karthik ₹ 4,00,000  
 18 – Withdraw cash from the bank for personal use ₹ 50,000  
 20 – Borrowed loan from Bank at 10% interest rate ₹ 5,00,000  
 22 – Bad debts recovered ₹ 10,000  
 24 – Commission received ₹ 25,000  
 30 – Paid salary ₹ 80,000 and Rent ₹ 60,000