B.B.A. DEGREE EXAMINATION, 2013

(BUSINESS APPLICATIONS)

(FIRST YEAR)

(PART-III)

140 : INTRODUCTORY ACCOUNTING

December]   [Time : 3 Hours

Maximum : 100 Marks

SECTION – A   (10 × 2 = 20)
Answer ALL questions

1.   Define Accounting.

2.   Who are the different persons interested in accounting information?

3.   What is Accounting Equation?

4.   What is Ledger?

5.   What is Petty Cash Book?

6.   Write short note on: Debit Note.

7.   Write short note on: Cheque.

8.   What are the errors of principle?

9.   What is a bill of exchange?

10.   What is average due date?

SECTION – B
Answer any FOUR questions

(4 × 10 = 40)

11. Briefly describe various Branches of Accounting.

12. What are Subsidiary books? Explain the purpose of each one of them.

13. Following are the ledger balances of Sri Rao. You are asked to prepare trail balance as on 31.12.2011.

	Rs.		Rs.
Opening stock	10,000	Capital	60,000
Salaries	5,000	Creditors	10,000
Bills payable	5,000	Loan from Karthik	25,000
Cash in hand	12,000	Discount allowed	700
Bank overdraft	4,000	Accrued interest payable	5,000
Debtors	15,000	Purchases	30,000
Cash at bank	18,000	Reserve for bad debts	1,200
Sales	80,000	Trade expenses	500
Wages	1,000	Outstanding salaries	2,000
Prepaid insurance	2,500	Plant & Machinery	90,000
Depreciation on plant	8,000	Outstanding interest on overdraft	500

14. Prepare a Bank Reconciliation Statement from the following data as on 31-12-2011.

		Rs.
a.	Balance as per cash book	12,500
b.	Cheques issued but not presented for payment	900
c.	Cheques deposited in bank but not collected	1,200
d.	Bank paid insurance premium	500
e.	Direct deposit by a customer	800
f.	Interest on investment collected by bank	200
g.	Bank charges	100

15. Petty cash received Rs.600 on April 1, 2011 from the head cashier. Prepare a Petty cash book on the imprest system for the month of April 2011 from the following items:

Date		Rs.
3	Stamps	50
5	Taxi fare	100
6	Pencils	75
7	Registry	25
10	Speed post	45
12	Telegram	35
15	Refreshment	55
16	Auto fare	20
19	Typing paper	60
20	Bus fare	15
22	Trunk calls	43
25	Office cleaning	18
30	Courier services.	17

Show the analysis of payments as Postage & Stamps, Telephone and Telegrams, Conveyance, Stationery and Sundry Expenses. Assume imprest amount of Rs.600

16. What are departmental accounts? What are the objectives of preparing such accounts?

SECTION – C (2 × 20 = 40)
Answer any TWO questions

17. Explain various accounting concepts and conventions.

18. From the following Trial Balance as on 31-03-2011, Prepare Trading and Profit & Loss A/c and Balance Sheet taking into account the adjustments.

Debit balances	Rs.	Credit balances	Rs.
Land and Building	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Stock 1-4-2010	5,760	Sundry Creditors	6,300
Sundry Debtors	14,500	Bills payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return Inwards	680		
Wages	8,480		
Fuel & power	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Salaries	15,000		
General Expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		**1,76,580**

Adjustments:
1. Stock on 31.3.2011 was Rs.6,800
2. Salary outstanding Rs.1,500
3. Insurance prepaid Rs.150
4. Depreciate machinery @10% and Patents @20%
5. Create a provision of 2% on debtors for bad debts.

19. Distinguish between 'Receipts and Payments Account' and 'Income and Expenditure Account'.

20. A second hand machine was purchased on 1.1.2000 for Rs. 30,000 and repair charges amounted to Rs.6,000. It was installed at a cost of Rs.4,000. On 1St July 2001, another machine was purchased for Rs.26,000. On 1St July, 2002 the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31-12-2002, the machine bought on 1St July, 2001 was sold for Rs.23,000. Accounts are closed every year on 31st December. Depreciation is Written off at 15% per annum. Prepare the Machinery account for 3 years ending 31-12-2002.

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