276353

SDCBB-103

I Semester B.B.A. Degree Examination, December/January - 2025/26

(SEP 2024-25 onwards Scheme Freshers & Repeaters)

BUSINESS ADMINISTRATION

Fundamentals of Accounting

Paper-1.5

Time : 3 Hours Maximum Marks : 80

Instructions :

Answers should be written in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a) Define Accounting.

   b) What is GAAP in Accounting?

   c) Name any two source documents used in accounting.

   d) What is a Cash Book?

   e) State any two reasons for the difference between the Cash Book balance and Pass Book balance.

   f) Mention any two causes of Depreciation.

   g) State any two objectives of preparing Final Accounts.

SECTION - B

Answer any Three questions. Each question carries 6 marks. (3×6=18)

2. Briefly explain the Objectives of Accounting.

3. Classify the following into Personal, Real, and Nominal Accounts:
   a) Furniture
   b) Rent paid
   c) Debtors
   d) Machinery
   e) Sales
   f) Salary

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4. Enter the following transactions in Simple Cash Book for the month ending 31st January 2024:

1st Jan : Commenced business with cash Rs. 50,000.

2nd Jan : Bought goods for cash Rs. 28,000.

5th Jan : Received cash from Arun Rs. 2,000.

7th Jan : Paid cash to Sanjay Rs. 2,900.

10th Jan : Paid salaries Rs.5,000.

14th Jan : Received cash from Rajesh Rs. 950.

16th Jan : Paid into bank Rs.1,000.

25th Jan : Purchased stationery Rs. 250.

5. Calculate the amount of depreciation and depreciation rate from the following by using 'straight line method'. The books are closed on 31st December every year.

January 1, 2024 Payment to vendor for purchase of machinery Rs. 1,00,000.

January 1, 2024 Transportation cost Rs. 1,000.

January 1, 2024 Installation cost Rs. 9,000.

Estimated scrap value at the end of the life Rs. 5,000.

Estimated life 10 years.

6. From the following details for the year ended 31st March, 2025, Prepare trading account.

	Rs.		Rs.
Opening stock	2,500	Return Inwards	7,000
Purchases	27,000	Coal and gas	3,300
Sales	60,000	Carriage inwards	2,600
Wages	2,500	Closing stock	5,200
Return outwards	5,200		

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Wages	2,500	Closing stock	5,200
Return outwards	5,200		

SECTION - C

Answer any Three questions. Each question carries 14 marks. (3×14=42)

7. Pass necessary journal entries for the following transactions in the books of M/s. Yashwanth and Co. for April 2025.

1. Commenced business with cash Rs. 1,50,000.
2. Bought machinery Rs. 60,000.
3. Bought goods on credit from Mohan Rs. 40,000.
4. Sold goods for cash Rs. 70,000.
5. Paid rent Rs. 8,000.
6. Paid salaries Rs. 12,000.
7. Paid Wages Rs. 10,000.
8. Cash received from Debtors Rs. 50,000.
9. Cash deposited into bank Rs. 30,000.
10. Paid insurance premium Rs. 5,000.
11. Cash withdrawn for personal purpose Rs. 20,000.
12. Received commission Rs. 7,000.
13. Paid to creditors Rs. 25,000.
14. Purchased furniture worth Rs. 30,000 from ABC Ltd.,

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8. Following is the Trail Balance with some errors. You are required to prepare a correct Trail Balance:

Particulars	Debit	Credit
Purchases	60,000	-
Bills payable	20,000	-
Sales	-	1,00,000
Purchase returns	1,000	-
Sales returns	-	2,000
Opening stock	30,000	-
Closing stock	-	40,000
Expenses	-	20,000

Outstanding expenses	2,000	-
Bank balance	5,000	-
Plant and Machinery	50,000	-
Debtors	-	80,000
Creditors	-	30,000
Capital	94,000	-
Suspense A/c (Difference in books)	10,000	-

9. From the following transactions, prepare three column cash book in the books of Sridevi Traders.

2025

March 1 : Balance of cash Rs. 50,000 and bank 20,000.

March 4 : Cash sales Rs. 11,000.

March 6 : Received cash Rs. 10,800 from Mr. A and allowed discount Rs. 200.

March 9 : Issued a cheque for Rs. 4,000 towards rent.

March 11 : Received a cheque for Rs. 10,700 from Mr. C and allowed discount Rs. 300.

March 13 : Deposited the cheque received on March 11 into the bank.

March 15 : Received a cheque from Mr. D for Rs. 5,900, allowed him a discount 100 and deposited the cheque into the bank.

March 19 : Issued a cheque for Rs. 3,000 to Mr. B

March 23 : Withdraw cash from bank for office use Rs. 2,000.

March 25 : Issued a cheque to Mr. E Rs. 8,900 in settlement of Rs. 9,000.

March 31 : Received a cross cheque for Rs. 25,000 towards dividend.

10. M/s Rubina Traders, Dharwad, bought Furniture worth Rs. 30,000 on 1st April 2022 and additional Furniture on 1st October 2022 worth Rs. 20,000. They charged depreciation at 15% p.a. on fixed instalment Basis. On 1st October 2024 they sold a furniture for Rs. 5,000 Original cost of which on 1st April 2022 was Rs. 10,000. On the same date, a new furniture was purchased for Rs. 15,000. Calculate Depreciation for the years 2022-23, 2023-24 and 2024-25 and closing value of furniture on 31st March 2025, assuming that the financial year closes on 31st March every year.

11. Nishchal's books show the following balances. Prepare his trading and profit and loss A/c for the year ended 31st March, 2024 and a balance sheet on that date.

Debit balances	**Rs.**	**Credit balances**	**Rs.**
Drawings	5,000	Capital	1,31,500
Sundry debtors	60,000	Bank loan	20,000
Coal, gas and water	10,500	Sales	3,56,500
Returns inward	2,500	Interest on investments	2,550
Purchases	2,56,500	Sundry creditors	40,000
Stock on 1.4.2023	89,700		
Travelling expenses	51,250		
Interest on loan paid	300		
Petty cash	710		
Repairs	4,090		
Investments	70,000		
	5,50,550		**5,50,550**

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Outstanding expenses	2,000	-
Bank balance	5,000	-
Plant and Machinery	50,000	-
Debtors	-	80,000
Creditors	-	30,000
Capital	94,000	-
Suspense A/c (Difference in books)	10,000	-

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Purchases	2,56,500	Sundry creditors	40,000
Stock on 1.4.2023	89,700		
Travelling expenses	51,250		
Interest on loan paid	300		
Petty cash	710		
Repairs	4,090		
Investments	70,000		
	5,50,550		**5,50,550**

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Adjustments:

a) Closing stock was Rs. 1,30,000 on 31st March 2024.

b) Create 5% provision for bad and doubtful debts on sundry debtors.

c) Accrued interest on investment Rs. 450.

d) Provide for interest on Capital @ 8% p.a.

SECTION - D

Answer any One question which carries 10 marks. **(1×10=10)**

12. a) Identify the various stakeholders using accounting information and their information needs.

(OR)

b) On September 30, 2024, the Cash Book of M/s. Star Retailers showed a favourable (debit) balance of Rs. 38,500. Prepare the Bank Reconciliation Statement after considering the following.

S.No.	Transaction Details	Rs.
1.	Cheques issued to suppliers but not yet presented to the bank for payment.	6,200
2.	Cheques deposited into the bank but not yet credited (cleared) by the bank.	9,100
3.	Bank paid electricity bill as per standing instruction, which was not recorded in the Cash Book.	1,500
4.	A customer directly deposited Rs. 4,000 into the bank account, and the intimation was received later.	4,000
5.	Bank charged annual locker rent, which was not entered in the Cash Book.	500

6.	Interest on a fixed deposit collected by the bank was credited in the Pass Book only.	1,100
7.	A cheque deposited for Rs. 2,000 was dishonoured by the bank.	2,000
8.	The debit side of the Bank Column of the Cash Book was undercast (totaled short).	1,200
9.	A cheque issued for Rs. 500 was omitted to be entered in the Cash Book.	500
10.	Bank wrongly debited the firm's account for Rs. 800.	800

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