

**I Semester B.B.A. Examination, January 2025**  
**(SEP Scheme) (Freshers)**  
**BUSINESS ADMINISTRATION**  
**Fundamentals of Accounting**

Time : 3 Hours

Max. Marks : 80

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

**SECTION – A**

Answer **any five** of the following. **Each** question carries **two** marks. **(5×2=10)**

1. a) What do you mean by Accounting ?
- b) Expand GAAP and Ind AS.
- c) What is source document in accounting ?
- d) What are subsidiary books ?
- e) What is the purpose of maintaining credit note ?
- f) State any two causes for depreciation of assets.
- g) Name the elements of final accounts of a sole proprietorship.

**SECTION – B**

Answer **any three** of the following. **Each** question carries **six** marks. **(3×6=18)**

2. Briefly explain the stakeholders of accounting information.
3. Classify the following into personal, real and nominal accounts.

a) Capital	b) Building
c) Carriage inwards	d) Cash
e) Commission received	f) Bank.



4. Enter the following transactions in a simple cash book of Krishna for the year 2024.

1 Jan. 2024 Cash in hand ₹ 11,200  
 7 Jan. 2024 Received from Ram ₹ 300  
 9 Jan. 2024 Paid rent ₹ 80  
 13 Jan. 2024 Sold goods for cash ₹ 800  
 15 Jan. 2024 Paid Hema ₹ 700  
 25 Jan. 2024 Purchased furniture for cash ₹ 400  
 31 Jan. 2024 Paid salaries ₹ 150.

5. Raki Technologies purchased machinery for ₹ 5,00,000. Considering the useful life of the machinery to be 5 years and a salvage value of ₹ 50,000, compute depreciation under sum of years digit method.

6. Prepare a Trading and Profit and Loss Account in vertical format for the year ending 31<sup>st</sup> March 2024 from the following information :

	₹
Sales	5,00,000
Purchases	3,00,000
Opening stock	50,000
Closing stock	70,000
Wages	40,000
Carriage inwards	10,000
Office rent	15,000
Salaries	20,000



### SECTION – C

Answer **any three** of the following. **Each** question carries **fourteen** marks. **(14×3=42)**

7. Journalize the following transactions in the books of M/s Kiran Stores for the month of August 2024 :

August 1<sup>st</sup> – Started business with cash ₹ 2,50,000 and furniture ₹ 60,000

August 3<sup>rd</sup> – Bought office equipment ₹ 35,000

August 5<sup>th</sup> – Deposited cash into bank ₹ 1,20,000 to open a current account

August 7<sup>th</sup> – Purchased laptop and accessories and paid by cheque ₹ 45,000

August 9<sup>th</sup> – Cash sales ₹ 55,000

August 12<sup>th</sup> – Sold goods to Rajesh on credit ₹ 40,000

August 15<sup>th</sup> – Paid cash to Sneha on account ₹ 25,000

August 18<sup>th</sup> – Goods returned to Prakash ₹ 4,000

August 20<sup>th</sup> – Purchased office supplies for cash ₹ 2,500

August 22<sup>nd</sup> – Paid wages ₹ 1,500

August 24<sup>th</sup> – Goods returned by Rajesh ₹ 3,000

August 27<sup>th</sup> – Issued cheque to Prakash ₹ 24,000

August 29<sup>th</sup> – Cash received from Rajesh on account ₹ 20,000

August 31<sup>st</sup> – Paid insurance premium by cheque ₹ 3,500

8. Enter the following transactions in a three column cash book for the month of January 2024 :

Jan. 1 Commenced business with ₹ 10,000 in cash

Jan. 2 Opened a bank account with SBI ₹ 5,000



Jan. 3 Arun paid us ₹ 4,900 in full settlement of his account for ₹ 5,000

Jan. 5 Bought goods for cash ₹ 5,000

Jan. 8 Draw a cheque for personal use ₹ 2,000

Jan. 10 Draw for office use ₹ 2,000

Jan. 12 Bought goods for ₹ 1,500 and paid by cheque immediately.

Jan. 15 Received for cash sales ₹ 10,000

Jan. 20 Paid salaries ₹ 5,000

Jan. 23 Nagesh directly paid into our bank ₹ 10,000

Jan. 25 Cash deposited into bank account ₹ 3,000

Jan. 28 Received commission ₹ 1,000

Jan. 30 Sold goods for cash ₹ 6,000 and remitted the same into the bank.

9. M/s Ram Enterprises acquired a Machinery on 1<sup>st</sup> January 2023 for ₹ 6,00,000 with a salvage value of ₹ 50,000 at the end of its useful life of 5 years. Calculate the annual depreciation using the Straight-Line Method and Written-Down Value method for first five years if the accounting year closes on 31 December every year. The depreciation rate is 10% per annum.

10. From the given balances, prepare a Trial Balance as on 31<sup>st</sup> March 2024 :

Particulars	₹
Buildings	3,75,000
Machinery	1,06,250
Bills receivable	17,500
Bills payable	16,250

Cash	2,500
Discount received	18,750
Bank overdraft	62,500
Creditors	3,12,500
Purchases	6,25,000
Capital	4,60,000
Fixtures	35,000
Sales	6,50,000
Debtors	3,75,000
Interest (received)	16,250

11. Prepare in Vertical Format Statement of Profit and Loss and Balance Sheet of NTR and Co. for the year ending 31-March-2024 from the following :

Particulars	₹
Bills payable	16,200
Bills receivables	20,250
Capital	2,02,500
Cash and bank balance	76,950
Drawings	60,750
Furniture	60,750
General expenses	12,150
Insurance	4,050
Opening stock	52,650



Purchase returns	12,150
Purchases	1,62,000
Salaries	32,400
Sales	2,83,500
Sales returns	8,100
Sundry creditors	40,500
Sundry debtors	48,600
Wages	16,200

### Adjustments :

- a) Closing stock ₹ 36,000
- b) Insurance prepaid ₹ 360
- c) Provide for doubtful debts @ 10%
- d) Depreciate furniture by 20%.

### SECTION – D

Answer any one of the following. Each question carries ten marks.

**(10×1=10)**

12. What are Accounting Concepts ? Explain any 4 Accounting Concepts with suitable examples.
13. From the following particulars, prepare Bank Reconciliation Statement as on 31<sup>st</sup> October 2024.
  - a) Bank balance as per cash book ₹ 74,000
  - b) Cheques of ₹ 6,000 was issued in Oct. 2024 but these cheques were presented into bank in Dec. 2024.



- c) Cheque of ₹ 4,000 was deposited in Oct. 2024 but bank collected in Nov. 2024.
- d) Cheque of ₹ 4,000 was received in Oct. 2024 and entered in cash book immediately but deposited into bank in Nov. 2024.
- e) Cheque of ₹ 1,000 was deposited in Oct. 2024 but was dishonoured.
- f) Direct deposit by customers of ₹ 10,000 was made in Oct. 2024, but came to know in Nov. 2024.
- g) Interest credited by Bank ₹ 5,000 but no intimation given by bank.
- h) Drawings made by trader ₹ 1,000 not entered in Cash book.
- i) Bank charges ₹ 2,000 debited in Pass book but not entered in Cash Book.
- j) Cheques issued ₹ 3,000 to customers but not presented for payment.