

(7 pages)

NOVEMBER 2023

72261/150C1B

Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions in about 30 words each.

1. Explain the term Book-Keeping.
2. What do you mean by Accounting Principle?
3. What is the purpose of a 'Journal'?
4. Write a note on "subsidiary books".
5. What is a Pass Book?
6. What are the different types of errors?
7. What are 'Final Accounts'?
8. What is depreciation?
9. What is Hire Purchase?
10. What are the Types of Repossession?
11. Define Single-entry System.
12. Mention the types of Single-entry System.

## I BBA ⇒ Financial Accounting

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. Explain the Objectives of Accounting.
  14. On 1<sup>st</sup> April, 2022, Vasant & Co commenced business with a capital of Rs.60,000, and his transactions for the month are given below:  
2022
- |                                          | Rs.    |
|------------------------------------------|--------|
| April 1 Purchased goods for cash         | 15,000 |
| April 2 Purchased furniture for cash     | 1,000  |
| Purchased a typewriter for cash          | 2,000  |
| April 5 Cash sales                       | 5,000  |
| April 6 Sold goods to Vikas on credit    | 8,000  |
| April 10 Purchased goods from Prafulla   | 10,000 |
| April 12 Returned goods to Prafulla      | 2,000  |
| April 15 Goods returned by Vikas         | 1,000  |
| April 20 Sold goods to Mukesh for cash   | 5,000  |
| April 25 Withdrew goods for personal use | 500    |

Pass necessary journal entries.

15. Enter the following transactions in a single-column cash book of Mr. Dev Anand.  
2021

	Rs.
Jan 02 Started business with cash	10,000
Jan 03 Purchased goods for cash	2,000
Jan 06 Sold goods	2,000
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2021

	Rs.
Jan 07 Cash paid for mobile recharge	200
Jan 08 Paid cheque to a creditor	1,800
Jan 09 Cash received from Babu	1,000
Jan 12 Bought furniture	1,750
Jan 14 Received commission	250
Jan 15 Sale of securities	7,000
Jan 17 Part payment to suppliers X Ltd. Rs. 1,000 against their previous bill for	5,000
Jan 19 Cash sales	12,000
Jan 20 Goods purchased by credit	10,000

16. State the reasons for differences in Cash Book and Pass Book.
17. Pass necessary adjustment entries for the following adjustments.
  - (a) Depreciation at 10% is to be charged on machinery standing in the books at Rs.1,00,000.
  - (b) Salaries outstanding is Rs. 200
  - (c) Closing stock Rs. 55,000

18. Differentiate Hire Purchase System from Instalment Systems.

19. Mr. S keeps his books by single entry system. On April 2016, he started his business with a capital of Rs.9,50,000. On 31<sup>st</sup> March 2017, the position was as follows: sundry creditors Rs.4,50,000; cash in hand Rs.75,000; cash at bank Rs.3,00,000; sundry debtors Rs.6,70,000; stock Rs.75,000; plant Rs.3,50,000. S drew Rs.2,50,000 from the business during the year. He introduced an additional capital of Rs.2,50,000. You are required to ascertain the Profit and Loss made by him during the year

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Enter the following transactions in the ledger of Mr. Alpha.

2021	Rs.
January	
1 Started business with cash	6,000
4 Bought goods for resale	500
7 Bought stationery	50
10 Bought goods for resale	750
12 Paid wages	100
15 Sold goods for cash	350

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[P.T.O.]

2021  
January

	Rs.
16 Sold goods for cash	300
17 Paid Electricity Bill	70
19 Sold goods for cash	350
20 Bought stationery	80
21 Paid wages	100
23 Bought goods for resale	200
24 Sold goods for cash	600
25 Paid Postage	80
26 Paid for Advertisement	30
31 Sold goods for cash	700
31 Paid wages	150

You are required to extract a Trial Balance as on 31<sup>st</sup> January 2021.

21. On 31.03.2021 Mr. B could not agree his Trial Balance. He transferred Rs. 1,596 (being excess of the debit side total) to Suspense Account. The following errors were subsequently discovered:

- (a) Rs. 55 received from Mr. A was posted to his account as Rs. 550.  
 (b) Purchases Return Book's total on a page was carried forward as Rs. 5,221 instead of Rs.5,112.

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23. Mr. Velu purchased a machine on hire purchase basis. The cash price of the machine was Rs.1,80,000. The agreement provided that the hire purchaser had to pay Rs. 40,000 as down payment and the balance in four annual instalments of Rs.40,000 each. Prepare Vendor Account in the books of buyer.

24. Explain briefly the differences between Single Entry and Double Entry System.

(c) A cash sale of Rs. 2,935 duly entered in the cash book but posted to Sales Account as Rs.1,235.

(d) Salary paid was recorded in the Salaries Account Rs. 12,500 instead of Rs. 12,000.

Make necessary journal entries to correct these errors and close the Suspense Account.

22. Ms Supraja provides the following information. Prepare a Trading and Profit and Loss Account and a Balance Sheet as on 31<sup>st</sup> December 2022.

Particulars	(Rs.)
Opening Stock	30,000
Sales	60,000
Salaries	8,000
Wages	4,000
Creditors	3,000
Sales Return	5,000
Purchase Return	3,000
Computer	49,000
Purchases	20,000
Capital	50,000

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