

E 8453

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Reg. No.....

Name.....

B.B.A. DEGREE (CBCS) EXAMINATION, JANUARY/FEBRUARY 2018

First Semester

Core—BUSINESS ACCOUNTING

(2017 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

*Answer any ten questions.
Each question carries 2 marks.*

1. Who is a creditor ?
2. What is the concept of dual aspect ?
3. What do you mean by contra-entry ?
4. What is cash discount ?
5. Who prepare bank reconciliation statement ?
6. What are the merits and demerits of Secret Reserve ?
7. What is annuity method of charging depreciation ?
8. What are intangible assets ?
9. What are adjusted purchases ?
10. What is manufacturing account ?
11. What do you mean by days of grace ?
12. What do you mean by discounting of bills ?

(10 × 2 = 20)

Part B

*Answer any six questions.
Each question carries 5 marks.*

13. Explain the rules and advantages of double entry system ?
14. What are the difference between accrual basis of accounting and cash basis of accounting.

Turn over

	Debit	Credit
	Rs.	Rs.
Wages and Salaries	39,000	
Capital		1,14,000
Income Tax	1,600	
Discount	6,300	4,600
Sales Return and Sales	550	2,08,950
Bills Receivable	3,200	
Furniture	3,050	
Rent, Rates, Insurance	4,000	
	3,61,320	3,61,320

Adjustment :

- (a) Provide for wages Rs. 5,000 and rent accrued Rs. 500.
- (b) Write-off 5% depreciation on Freehold premises and 10 % on Furniture.
- (c) Income to the amount of Rs. 200 relates to 2016.
- (d) Stock on 1-12-2015 is 52,000.
- (e) Charge interest on Capital at 5%.

24. On January 15th 2013 P owes Q Rs. 31,000. He accepts a bill for 3 months for Rs. 30,000 in full settlement. On the same date, Q discounts the bill with his banker at 6% p.a. Before the due date P become bankrupt and Q receives first and final dividend of 20 paise in the rupee.

Pass journal entries and prepare personal accounts in the books of Q.

25. On 1st January 2000 a company bought Plant and Machinery costing Rs. 55,000 and spent Rs. 5,000 on its erection. Additions is made on 1st July 2002 for the value of Rs. 20,000. Depreciation is provided at 10% p.a. Prepare plant and machinery Account for 4 years under Fixed Installment method and diminishing balance method.

(2 × 15 = 30)