

## C 2401

B.B.A. (Three Year) DEGREE EXAMINATION, MARCH/APRIL 2017.

End-Semester Examination

Second Semester

Part II

ACCOUNTING FOR MANAGERS

*Time : 3 Hours*

*Max. Marks : 70*

### PART — A

Answer any FIVE of the following questions. **(5 × 4 = 20 Marks)**

1. Advantages (or) uses of Accounting.
2. Types of accounts, give examples of each.
3. Trade discount and cash discount.
4. Causes for difference in cash book and pass book.
5. Suspense account.
6. Methods of providing depreciation.
7. Advantages of computerized accounting.
8. Causes for depreciation.

### PART — B

Answer ALL the following questions. **(5 × 10 = 50 Marks)**

9. (a) Discuss the concepts of Accounting.  
Or  
(b) Enter the following transactions in the Journal of Nivas :

2017		₹
March 1	Nivas commenced business with cash	60,000
2	Purchased furniture for cash	10,000
4	Purchased goods for cash	25,000

Turn Over

2017		₹
March 5	Bought goods from Kamlesh	15,000
6	Sold goods for cash	36,000
8	Sold goods to Hari	30,000
10	Paid cash to Kamlesh	15,000
14	Received cash from Hari	18,000
16	Purchased goods from Sohan	6,000
18	Purchased goods from Sohan for cash	8,000
20	Paid rent for the office	1,000
26	Received Commission	750
27	Paid salary to Gopal	1,200
28	Received cash from Hari	12,000
29	Withdrew cash from office for personal use	4,000
30	Wages paid	7,200
31	Bought machinery for cash	8,000

10. (a) Following transactions were recorded in the books of Sh. Dharsha Kumar :

2017

March 1 Sold to Chandra Light House  
50 tubelights @ ₹60 each less : 20%  
20 heaters @ ₹ 120 each less : 25%

5 Purchased from Charat Ram Electric Co.,  
25 table fans @ ₹ 600 each  
20 ceiling fans @ ₹ 800 each

2017

March 10 Chaudhry and Sons purchased from us :

80 Dozen Bulbs @ 90 per dozen

12 Purchased from Ramlal and sons one Typewriter for ₹ 6,000  
on credit, for office use

16 Sri Ram and Sons sold to us :

10 Electric Irons @ 180 each less : 10%

20 Chandra light house returned

5 tube lights sold on March 1

22 Sold good to Jai Bhagwan and Co for cash ₹ 10,000

25 Returned to Sri Ram and Sons :

2 Electric irons purchased on March 16

You are required to prepare (i) Purchase book (ii) Sales book (iii) Purchase return book and (iv) sales returns book.

Or

(b) From the following information compile a three column cash book :

2017

January 1 Cash in hand ₹ 2,780 ; bank overdraft ₹ 3,125

2 Cheques worth ₹ 400 issued to the petty cashier

5 ₹ 350 was paid to Hari and sons for the supply of stationary

7 Received a cheque worth ₹ 600 from Pramod against sale of goods

10 Received ₹ 1,200 for sale of goods

11 The cheque received from Pramod on 7<sup>th</sup> December, was endorsed in  
favour of Morgan together with ₹ 1,400 in cash.

15 Received ₹ 950 from Sheila.

23 Muralilal paid ₹ 2,000 in cash and ₹ 3,000 in cheque after receiving a  
discount of ₹ 200 for goods sold to him in Feb. 2017. the cheque was  
immediately deposited into the bank

- 26 Bought goods worth ₹ 1,700 from Rustom and paid by cheque after receiving a discount of ₹ 170
- 30 Interest on overdraft ₹ 50 was charged by the bank
- 31 Cash in excess of ₹ 1,000 was deposited into the Bank

11. (a) From the following, prepare bank reconciliation statement as on 31<sup>st</sup> March 2016.

Cash book (bank column)

Date	Particulars	Amount	Date	Particulars	Amount
2016		₹	2016		₹
March 1	To balance b/d	3,900	March 3	By Interest	400
8	To Mahesh Jindal	5,500	6	By Shanbhu Dayal	7,200
15	To Raghuvir	14,000	12	By Drawings	6,000
26	To Sunder Lal	7,700	15	By Sultan Chand	2,900
30	To Bhushan	3,300	18	By R. Sachdeva	5,400
31	To Salim	1,500	25	By Ashok	4,500
			30	By Anil	1,800
			31	By Balance c/d	7,700
		<u>35,900</u>			<u>35,900</u>

Bank pass book

Date	Particulars	Withdrawals	Deposits	Dr/Cr	Balance
		₹	₹		₹
2016					
April 1	By balance b/d			Cr	9,200
1	To cash	13,400		Dr	4,200
2	To Ashok	4,500		Dr	8,700
4	By Bhushan		3,300	Dr	5,400
5	By Giridhar Lal		8,200	Cr	2,800
7	By Salim		1,500	Cr	4,300

Date	Particulars	Withdrawals	Deposits	Dr/Cr	Balance
		₹	₹		₹
2016					
April 10	To Siya Ram	14,300		Dr	10,000
12	To Anil	1,800		Dr	11,800
13	By Cash		6,000	Dr	5,800
15	By Vishnu and Co		2,700	Dr	3,100

Or

- (b) On 30<sup>th</sup> June 2014, the bank column of Mohan Kapoor's cash book showed a debit balance of ₹ 12,000, on checkign the cash book with bank statement you find that :
- Cheques paid into bank ₹ 8,000, but out of these only cheques of ₹ 6,500 were cleared and credited by the bankers upto 30<sup>th</sup> June.
  - Cheques of ₹ 9,200 were issued but out of these only cheques of ₹ 7,000 were presented for payment upto 30<sup>th</sup> June.
  - The receipt column of the cash book has been undercast by ₹ 200.
  - The pass book shows a credit of ₹ 330 as interest on investments collected by bankers and debit of ₹ 60 for bank charges.
  - On 29<sup>th</sup> June a customer deposited ₹ 3,000 direct in the bank account but it was entered only in the pass book.
- Prepare a bank reconciliation statement.

12. (a) From the following balances for the year ending 31<sup>st</sup> March 2017 and additional information, prepare trading and profit and loss account and balance sheet of Messrs quality traders :

	₹
Capital	80,000
Purchases	82,000
Sales	1,10,000
Purchase returns	1,000
Buildings	45,000
Opening stock	15,000
Sundry debtors	20,100
Sundry creditors	28,000

	₹
Furniture	7,000
Carriage Inwards	200
Wages	1,800
Rent	5,100
Commission (cr)	1,500
Insurance	600
Salaries	12,500
Bad debts	200
Provision for bad debts	500
Cash in hand	5,000
Cash at bank	25,000
Sales tax paid	5,000
Bills payable	3,500

Additional information :

- (i) Closing stock was valued at ₹ 20,000
- (ii) Provide depreciation on buildings @ 5% and on furniture @ 10%.
- (iii) Outstanding salaries ₹ 1,000
- (iv) Further bad debts ₹ 100
- (v) Make a provision for bad debts @ 3%
- (vi) Make a provision for discount on debtors and creditors @ 2%.

Or

- (b) The following is the Trial Balance of Shri Sunil Thakur as on 30<sup>th</sup> November 2016.

	Dr	Cr
Stock as on 1 <sup>st</sup> January 2016	1,50,000	–
Cash and bank balance	18,000	–
Purchases and sales	24,00,000	42,00,000
Returns	1,80,000	70,000
Debtors and creditors	4,70,000	1,62,000
Capital	–	7,00,000
Drawings	20,000	–
Salaries	2,10,000	–

	Dr	Cr
Rent	1,80,000	–
General expenses	4,000	–
Fixed assets	15,00,000	–
	51,32,000	51,32,000

The following transactions were recovered during the month of December, 2016.

- (i) Credit purchases of goods ₹ 2,20,000
- (ii) Credit sales of goods ₹ 3,75,000
- (iii) Purchases returns ₹ 15,000
- (iv) Sales returns ₹ 10,000

You are required to prepare the Trial Balance as on 31<sup>st</sup> December 2016.

13. (a) A company has bought machinery for ₹ 1,00,000 including therein a boiler worth ₹10,000. Depreciation was charged on reducing balance method at the rate of 10% p.a for first five years and machinery account was credited accordingly. During the fifth year, the boiler became useless on account of damages to some of its vital parts. The damaged boiler is sold for ₹ 2,000. Prepare the machinery account for five years.

Or

- (b) What is depreciation? What is the need for providing depreciation? Also state the merits of providing depreciation.