

**C-2401**

B.B.A. (Three Year) DEGREE EXAMINATION, MARCH/APRIL 2018.

End-Semester Examination

Second Semester

Part II

(Regular/Supplementary)

ACCOUNTING FOR MANAGERS

*Time : 3 Hours*

*Max. Marks : 70*

**PART — A**

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

1. Features of Double Entry Book - Keeping System.
2. Rules of Personal Accounts and Nominal Accounts.
3. Cash Discount.
4. Need for preparation of Bank Reconciliation Statement.
5. Types of subsidiary books.
6. Rationality of computerized Accounting.
7. Accounting Conventions.
8. Define the term journal and explain its present day use.

**PART — B**

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

9. (a) What is meant by the term generally accepted accounting principles. Also list several sources of GAAP.

Or

- (b) Journalise the following transactions in the books of Ravi :

2015		Rs.
Jan.	1	
	Started business with cash	1,00,000
"	1 Paid into Bank	50,000
"	2 Goods purchased for cash	30,000

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2015		Rs.
Jan.	1	
"	3	Purchase of furniture and payment by cheque 10,000
"	5	Sold goods for cash 20,000
"	8	Sold goods to Ramesh 10,000
"	10	Goods purchased from Ajay 15,000
"	12	Goods returned to Ajay 1,000
"	15	Goods returned by Ramesh 500
"	18	Cash received from Ramesh Rs. 9,300 and discount allowed to him Rs. 200
"	21	Withdrew from bank for personal use 2,000
		Withdrew from bank for use in business use 12,000
"	25	Paid telephone rent for one year 1,200
"	28	Cash paid to Ajay in full settlement of his account 13,700
"	31	Paid for stationery Rs. 4,400, rent Rs. 2,000 and salaries to staff Rs. 5,000

10. (a) Enter the following transactions for the month of March, 2015 in the relevant Subsidiary Books.

		Rs.
March	1	Bought goods from Mill 6,500
"	3	Sold goods to Bharath 1,000
"	4	Allowance claimed from Anil for Shortage 50
"	5	Sold goods to Chandra 1,500
"	6	Sold goods to Devendra 500
"	9	Bought goods from Eshwar 1,000
"	10	Allowance granted to Devendra for shortage 40
"	11	Sold goods to Faustin 800
"	12	Allowance granted to Chandra for overcharge 20
"	15	Sold goods to Ganesh 700
"	18	Sold goods to Harish 600
"	20	Faustin Returned goods 50
"	22	Ganesh Returned goods 40
"	23	Returned goods to Eshwar 100
"	24	Purchased goods from Denish 800
"	25	Sold goods to Gurudas 500
"	26	Allowed Harish for damaged goods 50

	Rs.
“ 27 Received goods Returned by Gurudas	20
“ 28 Bought goods from Arjun less 5%	400
“ 31 Sold goods to Manohar less 8%	100
“ 31 Delivery and carriage	10

Or

- (b) Enter the following transactions in a three column cash book.

	Rs.
2008 Jan	
1 Cash in hand	410
Cash balance at bank	8,920
“ 2 Cash sales	4,500
“ 3 Paid into bank	4,000
“ 5 Purchased stationary	100
“ 8 Paid Mahesh by cheque	280
Discount received	20
“ 12 Gave a cheque for cash purchase	1,500
“ 15 Draw for personal use	500
“ 18 Received from Suresh, a cheque for 1970	
in full settlement of account for	2,000
“ 20 Draw from bank	1,000
“ 21 Paid wages	100
“ 25 Bank returns cheque of Suresh dishonored	
“ 31 Bank charges as per pass book	10

11. (a) On 31<sup>st</sup> March, 2015 your Bank Pass Book showed a balance of Rs. 12,000 to your credit. Before that date you issued cheques of Rs. 1,600 to your customers but they have not presented them for payment. You had also received a cheque for Rs. 320 which although entered by you in the bank column of the Cash Book was omitted to be paid into bank. On 31<sup>st</sup> March, a cheque of Rs. 500 received by you was paid into the bank but the same was omitted to be entered into the Cash Book. There was a credit of Rs. 170 for interest on Current Account and a debt of Rs. 20 for bank charges. Draw up a Reconciliation Statement showing adjustment between your Cash Book and Bank Pass Book.

Or

- (b) On checking Surendra's Cash Book with the Bank Statement of his account for the month of March, 2015 you find the following :

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- (i) Cash Book showed on overdraft of Rs. 4,500.
- (ii) The payment side of the Cash Book has been under cast by Rs. 150.
- (iii) A cheque for Rs. 750 drawn on his savings deposit above has been shown as drawn on current account.
- (iv) Under instructions from Surendra the Bank had transferred interest Rs. 900 from his deposit account to his current account on 3<sup>rd</sup> April, 2015. This amount had, however, been taken in the Cash Book before 31<sup>st</sup> March, 2015.
- (v) Cheques amounting Rs. 7,500 drawn and entered in the Cash Book had been presented.
- (vi) Cheques amounting Rs. 6,000 sent to the Bank for collection, though entered in Cash Book had not been credited by the Bank.
- (vii) Bank charges of Rs. 75 as per Bank Statement of account had not been taken in the Cash Book.
- (viii) Dividends of the amount of Rs. 3,000 had been paid direct to the Bank not entered in the Cash Book.
- (ix) A cheque issued to Rafiq for Rs. 200 was replaced when out of date. But it was entered in the Cash Book again and no other entry having been recorded. Both cheques were also included in the total of cheques issued but not presented as shown above.

You are required to arrive at the Balance as it would appear in the Bank Statement as March, 2015.

12. (a) Following is the Trail Balance of M/s Kasturi Agencies as on 31<sup>st</sup> March, 2015. Prepare Trading and profit & Loss Account for the year ended 31<sup>st</sup> March, 20 15 and a Balance Sheet on that date :

	Dr.	Cr.
	Rs.	Rs.
Capital	—	1,00,000
Drawings	18,000	—
Buildings	15,000	—
Furniture & Fillings	7,500	—
Motor Van	25,000	—
Loan from Hari 12% interest	—	15,000
Interest paid on above	900	—
Sales	—	1,00,000
	Dr.	Cr.
	Rs.	Rs.
Purchases	75,000	—

Opening Stock	25,000	–
Establishment Expenses	15,000	–
Wages	2,000	–
Insurance	1,000	–
Commission received	–	4,500
Sundry Debtors	28,100	–
Bank Balance	20,000	–
Sundry Creditors	–	10,000
Interest	–	3,000
	<u>2,32,500</u>	<u>2,32,500</u>

Adjustments :

(i) The value of stock on 31<sup>st</sup> March, 2015 was Rs. 32,000. (ii) Outstanding Wages Rs. 500. (iii) Prepaid Insurance Rs. 300. (iv) Commission received in advance Rs. 1,300. (v) Allow interest on capital @ 10%. (vi) Depreciate: Building 2½ %, Furniture and Fittings 10%, Motor Van 10%. (vii) Charge interest on thawing Rs. 500. (viii) Accrued interest Rs. 500.

Or

(b) Re-write the following Trial Balance to correct the same.

Debit	Rs.	Credit	Rs.
Wages	2,680	Capital	10,000
Purchases	12,490	Sales	31,080
Salaries	520	Rent Paid	500
Carriage	50	Discount Received	120
Building	12,010	Light Charges	160
Band Overdraft	470	Suppliers	800
Cash in Hand	60	Opening Stock	9,260
Customers	1,490	Furnitures	3,250
	<u>29,770</u>		<u>55,170</u>

13. (a) Manohar purchased a machinery costing ₹ 98,000 on 1.7.2014 and spent ₹ 2,000 for its establishment. On 1.4.2015 he purchased another machinery for ₹ 60,000 on 1.1.2016 additionally he purchased another machinery for ₹ 40,000. On 1.4.2016 he sold the machinery for ₹ 74,000, which he was

bought on 1.7.2014. Show machinery account for first 4 years charging depreciation @ 10% p.a. on straight line method.

Or

- (b) State various objectives for providing depreciation. Also state facts affecting depreciation.
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