Code No. : 10824 E **Sub. Code : EMBA 12**

B.B.A. (CBCS) DEGREE EXAMINATION, NOVEMBER 2023.

First Semester

Business Administration — Core

ACCOUNTING FOR MANAGEMENT — I

(For those who joined in July 2023 onwards)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The accounting equation is based on ————— concept.
    (a) Cost
    (b) Dual aspect
    (c) Accounting period
    (d) Money measurement

2. Which of the following is used for checking the arithmetical accuracy of the account balance?
    (a) Ledger
    (b) Journal
    (c) Trial balance
    (d) Book keeping

3. Errors which affect one account is

(a) Errors of omission (b) Errors of principle

(c) Errors of posting (d) Compensating error

4. Which of the following would not affect bank reconciliation?

(a) Dishonored cheque

(b) Discount received

(c) Bank interest

(d) Check not presented

5. Debts which are uncollectible are called

(a) Bad debts

(b) Doubtful debts

(c) Book debts

(d) Bad and doubtful debts

6. Depreciation is generated due to

(a) Increase in the value of liability

(b) Decrease in capital

(c) Wear and tear

(d) Decrease in the value of assets

7. What is transferred to hirer under hire purchase system?

(a) Ownership of asset

(b) Possession of asset

(c) Ownership and possession of asset

(d) Neither ownership nor possession of asset

8. If the hire purchaser fails to make payment of any installment, it is called

(a) Default (b) Repossession

(c) Sale (d) Purchase

9. Single entry system is changed into double entry system through

(a) Balance sheet method

(b) Statement of affairs method

(c) Conversion method

(d) Accounting

10. One of the items below is not an advantage of the double entry accounting system.

(a) It reflects a comprehensive record of the business

(b) The accounting system can be used by any type of organization

(c) It helps to make managerial decisions

(d) It can handle inflation

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) For the following transactions, pass journal entries.

2020 Jan.

14 Arun introduced Capital Rs. 1,00,000.

14 Paid into bank Rs. 15,000.

15 Withdrew from bank Rs. 1,500.

16 Bought for office use a very old car for Rs. 30,000.

17 Paid Advertisement charges to 'Indian Express' Rs. 400.

30 Paid the shop rent Rs. 250 to Mani, the owner of the building.

30 Paid his two clerks — Muthu and Kittu Rs. 2,000 each as salary.

30 Received commission Rs. 150 from Sakthi & Co., the stationery supplier.

30 Received a cheque for Dividend Rs. 750 from U.T.I.

2020 Jan.

30 Arun drew Rs. 1,500 from the business for his personal expenses.

30 Electric charges amounted to Rs. 300.

30 Bank has charged Rs. 15 for their services.

30 Bank has allowed Rs. 40 interest on credit balance.

Or

(b) Outline a short note on the following accounting concepts.

(i) Cost concept

(ii) Going concern concept

(iii) Money measurement concept

(iv) Business entity concept

12. (a) State some of the errors encountered in the preparation of accounts.

Or

(b) Trace the meaning and importance of Suspense account.

13. (a) Discuss the limitations which must be kept in mind while evaluating the financial statements.

Or

(b) The following are the account balance of Nirmal Agency after preparing Trading and Profit and Loss Account for the year ending 31st December 2014.

Land and Building	20,000	Furniture	6,000
Closing stock	13,000	Bills payable	14,000
Cash in hand	7,500	Bank loan	15,000
Cash at bank	2,200	Sundry creditors	16,000
Sundry Debtors	12,000	Salaries outstanding	1,200
Bills receivable	5,300	Drawings	3,000
Insurance prepaid	200	Capital	30,000
Machinery	14,000	Net profit for the year	7,000

Prepare Balance Sheet of Nirmal Agency.

14. (a) Explain the meaning and types of repossession.

Or

(b) Compute the methods of Hire purchase system.

15. (a) Determine the salient features of Single-entry system.

Or

(b) Show how Balance Sheet is different from Statement of affairs.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the scope and objectives of Accounting.

Or

(b) Prepare a Trial Balance from the following terms :

	Rs.		Rs.
Capital	3,40,000	Building	1,20,000
Opening Stock	85,000	Returns Inward	19,000
Furniture	1,26,000	Returns Outward	3,500
Purchases	89,500	Trade Expenses	10,000
Cash	73,000	Discount Received	9,700
Carriage	3,000	Salary	30,000
Sales	2,25,000	Office Rent	22,700

17. (a) From the following particulars prepare a bank reconciliation statement showing the balance as per cash book on 31.3.2014.

   (i) Balance as per passbook Rs. 8,000.

   (ii) Cheque deposited but not credited by the bank Rs. 1,000.

   (iii) Cheque deposited into bank without recording in the cash book Rs. 600

   (iv) Cheques issued but not presented for payment Rs. 500.

   (v) Bank charges debited in the passbook but not recorded in cash book Rs. 50.

   Or

   (b) Define Bank Reconciliation Statement. Explain the need of preparing Bank Reconciliation Statement.

18. (a) What is a Balance Sheet. Sketch its specimen form and mention the key components of a balance sheet.

   Or

(b) The following balances are extracted from the books of M/s. Satyam & Co., on 31st December 2013. Prepare Trading and Profit and Loss Account for the year ended and a Balance Sheet as at that date.

Particulars	Rs.	Particulars	Rs.
Carriage outwards	580	Capital	7,160
Commission	320	Creditors	7,860
Carriage inwards	320	Commission	160
Wages	1,120	Bills payable	1,200
Purchases	15,600	Sales	20,000
Insurance	440	Returns outwards	200
Rent and Taxes	440		
Cash at Bank	1,900		
Returns inwards	520		
Stationery	180		
Interest on Capital	280		
Stock on 1st Jan. 2013	400		
Bills receivable	1,800		
Sundry debtors	12,000		
Trade expenses	80		
Office furniture	400		
Cash in hand	200		
	36,580		36,580

The closing stock was valued at Rs. 10,000.

19. (a) Sketch the differences between Hire purchase system and Installment system.

Or

(b) Discuss the features of Hire purchase system and Installment payment system.

20. (a) Mohan, a retail merchant commenced business with a capital of Rs. 12,000 on 1.1.2006. Subsequently on 1.5.2006 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31.12.2006, his assets and liabilities were as follows :

Cash at bank   Rs. 3,000

Debtors   Rs. 4,000

Stock   Rs. 16,000

Furniture   Rs. 2,000

Creditors   Rs. 5,000

Calculate the profit (or) loss made during the year 2006.

Or

(b) What is conversion method in Single-entry system? How do you find profit or loss under conversion method?

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