



DCAM – 102

First Semester B.B.A. (Aviation Management) Examination, May/June 2022  
(NEP)

Paper – 1.2 : FUNDAMENTALS OF ACCOUNTANCY

Time : 2½ Hours

Max. Marks : 60

**Instruction : Answers to be written in English only.**

SECTION – A

Answer **any five** of the following sub-questions. **Each** question carries **two** marks.

(5x2=10)

1. a) Give the meaning of accounting.
- b) State any two objectives of accounting.
- c) Mention any four types of subsidiary books.
- d) What is Petty cash book ?
- e) What is trial balance ?
- f) What is trading account ?
- g) What is sales returns book ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries **five** marks.

(3x5=15)

2. Briefly explain any five accounting concepts.
3. Explain the debit and credit rules of different types of accounts.
4. From the following transaction prepare bank reconciliation statement.
  - a) Bank balance as per Pass book Rs. 90,000.
  - b) Cheques issued but not cashed prior to 31-3-2020 Rs. 7,000.

P.T.O.



- c) Interest on investment collected by bank only Rs. 5,000.
  - d) Bank charges debited in pass book only Rs. 1,000.
  - e) Cheques paid into bank but not cleared before 31-3-2020 Rs. 9,000.
  - f) Interest credited in the pass book only Rs 2,000.
  - g) Electricity bill paid by the bank as per standing instructions Rs. 900
5. From the following balances, prepare Trading Account for the year ending 31<sup>st</sup> March 2019.

	<b>Rs.</b>
Stock at the beginning	20,000
Purchases	60,000
Sales	90,000
Wages	5,000
Salaries	10,000
Carriage inwards	500
Power	500
Returns inwards	500
Returns outward	1,000
Stock at the end	21,000

6. Enter the steps to prepare Purchase returns book in a spread sheet.

2016 Jan. 1 Returned goods to Harish Rs. 2,000  
 Jan. 2 Returned goods to Ravi Rs. 1,000.  
 Jan. 3 Returned goods to Rehan Rs. 3,000.  
 Jan. 4 Returned goods to Farhan Rs 4,000.



SECTION – C

Answer **any three** of the following questions. **Each** question carries **eight** marks.

**(3×8=24)**

- 7. What are Accounting standards ? What are the advantages and limitations of accounting standards ?
- 8. Prepare a trial balance from the following ledger balances.  
Motor vehicle Rs. 10,000, Cash Rs. 5,600, Drawings Rs. 6,200,  
Bank Overdraft Rs. 7,500, Purchase Return Rs. 700, Debtors Rs. 13,200.  
Bad debts Rs. 1,200, Stock Rs. 6,400, Creditors Rs. 7,700, Capital Rs. 32,800  
Sales Rs. 14,400, Goodwill Rs. 12,000, Purchase Rs. 8,800, Rent from tenant Rs. 3,500, Stationery Rs. 1,500, Depreciation Rs. 1,700.
- 9. From the following prepare Analytical petty cash book under imprest system.

2020	Particulars	Amount (Rs.)
Jan. 1	Received from chief cashier	4,000
Jan. 3	Paid for postage	200
Jan. 6	Paid for books, papers and pens	350
Jan. 7	Paid for telephone bills	500
Jan. 10	Paid for carriage	120
Jan. 12	Paid for travelling expenses	180
Jan. 15	Paid for stamps	200
Jan. 18	Sent telegram to one of the supplier	100
Jan. 22	Entertainment expenses for customers	650
Jan. 27	Paid Arun on account	250
Jan. 30	Paid freight charges	100
Jan. 31	Paid repair charges on office fans and light	100



10. Enter the following transactions into respective subsidiary books

2016 July 1 Purchased goods from Puneeth, Delhi Rs. 900.

July 2 Sold goods to Sanjay, Bombay Rs. 1,000.

July 4 Sold goods to Vinod, Madras Rs. 2,000.

July 10 Bought goods from Vicky, Bangalore Rs. 1,500.

July 14 Bought goods from Raveesh, Hyderabad Rs. 3,000.

July 19 Sanjay Returned goods Rs. 200.

July 21 Returned goods to Puneeth Rs. 200.

July 25 Returned goods to Vicky Rs. 500.

July 28 Sold goods to Ganesh, Bangalore worth Rs, 5,000

Subject to a trade discount of 10%.

July 29 Vinod returned goods Rs. 300.

11. What are the steps to enter the following transactions in a simple cash book ?

Dec. 2016.

1<sup>st</sup> Cash in hand Rs. 5,100.

3<sup>rd</sup> Cash sales Rs. 5,600.

5<sup>th</sup> Received from Vinay on account Rs. 800.

7<sup>th</sup> Paid into bank Rs. 10,000

10<sup>th</sup> Paid for postage Rs. 200.

12<sup>th</sup> Paid for wages Rs. 100.

15<sup>th</sup> Received commission Rs. 200.

20<sup>th</sup> Withdraw from bank for expenses Rs. 2,200.

25<sup>th</sup> Cash purchases Rs. 3,000.

27<sup>th</sup> Cash sales Rs. 2,400.

28<sup>th</sup> Received from Raj Rs. 1,100.

29<sup>th</sup> Cash withdrawn for personal use Rs. 2,200.

30<sup>th</sup> Paid into Bank Rs. 2,200.

31<sup>st</sup> Received interest Rs. 500.



SECTION – D

Answer **any one** of the following questions. **Each** question carries **eleven** marks.

**(1×11=11)**

12. Read the following case study and answer the questions :

Rehan and Farhan are two friends who both have just attended their first class of accountancy. The friends were intrigued by the different branches of accounting and their widespread application. Rehan personally liked the branch of accounting in which fund flow statement and budgetary control is used and that branch helps in planning and controlling of operations. As the concept of accounting was further explored, they began discussing the different users of accounting. Rehan said that he finds it interesting that even the employees demand information relating to business. Farhan said he finds more interesting in the fact that even competitors want information on the relative strengths and weaknesses of an enterprise and for making comparisons. Farhan further said that even accounting helps Owner's to compare one year's costs, expenses, and sales with those of other years. However, they were quite shocked by the fact that the management worker relations was not taken into consideration in the accounting. Meanwhile, Rehan and Farhan had an argument at the end of the discussion. Rehan was saying that accounting is an art whereas Farhan was saying that accounting is a science. Their teacher came in and said something to them which made them stop the argument.

1) What might have their teacher said to solve their argument ?

- A) Rehan, please understand, Farhan is correct in this situation
- B) Farhan, please understand, Rehan is correct in this situation
- C) Both are correct
- D) None is correct

2) Farhan talked about which type of users of accounting ?

- A) Internal users
- B) External users
- C) Both A) and B)
- D) None of these



- 3) Which limitation of accounting is being talked by them ?
- Influenced by personal judgement
  - Omission of qualitative information
  - Incomplete information
  - Based on historical costs
- 4) Which advantage of accounting is being talked by Farhan in the last part of first para ?
- Provides information regarding profit and loss
  - Provides complete and systematic record
  - Enables comparative study
  - Evidence in legal matters
- 5) Which branch of accounting is liked by Rehan ?
- Financial accounting
  - Cost accounting
  - Management accounting
  - Tax accounting
13. From the following trial balance of a trader as on 31<sup>st</sup> March 2020, prepare trading and profit and loss account for the year ended 31-3-2020 and a balance sheet as on that date.

Particulars	Debit Rs.	Particulars	Credit Rs.
Cash in hand	1,200	Capital	60,000
Purchases	1,00,000	4% Bank loan	20,000
Opening Stock	35,000	Bills payable	20,000
Sundry debtors	50,000	Sundry creditors	24,000
Plant and machinery	60,000	Sales	2,00,000
Furniture	15,000	Bad debt reserve	1,200
Bills receivable	18,000	Rent outstanding	1,000



Rent and taxes	10,000
Wages	16,000
Wages prepaid	1,000
Salaries	20,000

**Additional information :**

- a) Create a reserve for doubtful debts at 5% on sundry debtors.
  - b) Write off Rs. 500 as bad debts.
  - c) Depreciate plant and machinery at 5% and on furniture at 10%.
  - d) Provide outstanding liabilities : Taxes Rs. 2,000 and Salaries Rs. 4,000.
  - e) Closing stock Rs. 40,000.
- 1) What is the amount of gross profit ?
  - 2) What is the amount of Net profit ?
  - 3) Mention the current liabilities.
  - 4) What is the amount of interest on Bank loan ?
  - 5) State the amount of owner's fund.
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- (a) What is the amount of net profit?
- (b) What is the amount of gross profit?
- (c) What is the amount of interest on bank loan?
- (d) What is the amount of owner's equity?
- (e) What is the amount of current liabilities?
- (f) What is the amount of long-term liabilities?
- (g) What is the amount of total assets?
- (h) What is the amount of total liabilities and equity?
- (i) What is the amount of total liabilities and equity?
- (j) What is the amount of total assets?
- (k) What is the amount of total liabilities and equity?
- (l) What is the amount of total assets?
- (m) What is the amount of total liabilities and equity?
- (n) What is the amount of total assets?
- (o) What is the amount of total liabilities and equity?
- (p) What is the amount of total assets?
- (q) What is the amount of total liabilities and equity?
- (r) What is the amount of total assets?
- (s) What is the amount of total liabilities and equity?
- (t) What is the amount of total assets?
- (u) What is the amount of total liabilities and equity?
- (v) What is the amount of total assets?
- (w) What is the amount of total liabilities and equity?
- (x) What is the amount of total assets?
- (y) What is the amount of total liabilities and equity?
- (z) What is the amount of total assets?

Assets	10,000
Liabilities	3,000
Equity	18,000
Total	31,000