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6991

Register Number:

Name of the Candidate:

M.B.A. DEGREE EXAMINATION December 2014

(MANAGEMENT PRACTICES)

(FIRST YEAR)

150. ACCOUNTING APPROACH

Time: Three hours

Maximum: 75 marks

SECTION – A

(5×3=15)

Answer any FIVE questions

1. Define Accounting.
2. What is meant by Balance Sheet?
3. What is Cash basis of Accounting?
4. What are the branches of Accounting?
5. What is the Purchase Book?
6. What is the Contribution?
7. What is Cash dividend?
8. List out the Journal entry.

SECTION – B

(3×10=30)

Answer any THREE questions

9. Briefly explain the Basic Accounting Rules.
10. Enter the following transaction in the sales returns book 2011
Jan 1 Mohan returned goods worth Rs.25
10 Gopal returned goods worth Rs.50
28 Balu returned goods worth Rs.75
11. Prepare Trial Balance as on 31.03.2012 from the following balance of Mr. Rishi

Capital	1,00,000
Sales	1,50,000
Plant and Machinery	60,000
Purchases	50,000
Sales returns	5,000
Wages	10,000
Sundry Creditors	60,000
Bad debts provision	3,000
Land and buildings	1,00,000
Debenture	45,000

Drawings	10,000
Commission Received	7,500
Auditor's Fees	6,500
Purchase Return	10,000
Bills payable	9,000
Carriage outwards	1,500
Stock on 01.04.2012	25,000
Debtors	49,000
Interest Received	4,000
Travelling Expenses	5,000
Bank overdraft	3,000
Trade expenses	3,400
Motor Vehicle	8,000
Rent received	2,000
Lease hold property	60,600

12. Mr. Mohan maintains a columnar petty cash book on the imprest system. The imprest amount is Rs. 700 . From the following information show how this petty cash book would appear for the week ended on 18th December.

December 13 Balance in hand	Rs.78.00
13 received cash to make up the imprest	
14 postage	Rs.120.00
14 Stationery	75.00
14 Entertainment	35.00
15 Travelling Expenses	41.00
15 Miscellaneous expenses	26.00
15 Entertainment	19.00
16 Repairs	31.00
16 Postage Stamps	18.00
16 Entertainment	10.00
17 Entertainment	8.00
18 Stationery	51.00
18 Postage Stamps	12.00
18 Repairs	10.00

13. Prabu accepted on April 1, 2012 bill for Rs. 10,000 drawn by kapil at three months Kapil, on 4th April, discounted the bill with his banker at 6% p.a prabu failed to meet the bill on the due date and at his request Kapil agreed to renew the bill for three more months for which he demanded collateral security. Prabu endorsed two of his customers bills for Rs.7,000 and Rs. 5,400 due to August, 20 and September 20, 2012 respectively as collateral security. Kapil discounted all the three bills at 6% p.a on 10th July with the bankers, but on the due date the second customer's bill was dishonoured, Ravi became bankrupt on 1st September, 2012 and nothing was realized from his estate. Pass the necessary journal entries and Prabu account in the books of Kapil.

SECTION-C
Answer any ONE question

(1×15=15)

14. Enter the following transactions in a cash book with discount , cash and bank columns and balance the cash book on 30th September:

September	Balance of Cash on hand Rs.400 and Bank overdraft
1	Rs.5,000
4	Introduced cash Rs.10,000 as further capital of which Rs.5,000 was deposited in to bank.
5	Sold goods for cash Rs. 3,000
6	Collected from Xavier Rs. 8,000 by cheque and allowed him a discount of Rs.200. Deposited the same on the day.
10	Purchased goods for cash Rs.2,000 and by cheque Rs.3,000
11	Paid Ram Rs.2,500 by cheque and discount received Rs.100
12	Paid commission to an agent Rs.500
15	Purchased office furniture by cash Rs.2000
16	Paid Rent Rs.100
17	Drew a cheque for personal use Rs.1,000
18	Cash Sales Rs. 5,000
20	Collected from yogi Rs. 4,000 in cash and deposited in to the bank on the same day.
23	Dividend received by cheque Rs.100 and deposited in to the bank.
28	Paid office salaries by cheque Rs.2000
29	Deposited cash in to the bank Rs. 7,000

15. Journalize the following transactions in the books of Bharat Tulsian:
- a) Goods worth Rs.500 given as charity
 - b) Received Rs.975 from Hari Krishnan in full settlement of his account for Rs. 1,000
 - c) Received at first and final dividend of 60 paise in the rupee from the official receiver of Mr.Rajan who owned us Rs.1,000
 - d) Received Rs.975 from Shyam on his account for Rs.1000
 - e) Paid Rs. 480 to Mohan in full settlement of his account for Rs. 500
 - f) Paid Rs. 380 to Mohan on his account for Rs. 400

- g) Rent due to landlord Rs.800
 h) Salaries due to clerks Rs. 5,000
 i) Depreciation on office furniture Rs.100
 Interest on Capital Rs. 3,000
16. Prepare a trading and profit and loss account for the year ended 31st July 2011 and a balance sheet as on that date from the following Trial Balance

Particulars	Amount(Dr)	Particulars	Amount(Cr.)
Opening Stock	10,000	Capital	50,000
Purchases	52,500	Creditors	6,000
Returns Inward	1,500	Bills payable	2,500
Manufacturing Expenses	4,000	Sales	82,000
Carriage	750	Returns Outward	2,500
Wages	25,000		
Rent	2,000		
Repairs	250		
Trade Expenses	3,500		
Bad Debts	1,000		
Plant and Machinery	20,000		
Sundry Debtors	12,000		
Drawings	5,000		
Bank Balance	5,000		
	1,43,000		1,43,000
	Closing Stock Rs. 18,000		

6991**SECTION-D
(Compulsory)****(1×15=15)**

17. From the following Trail Balnce of Rajan Brothers and Co on 31st December 2003, prepare Trading and profit and loss accoutn and a Balance Sheet.

	Dr.	Cr.
Rajan's Capital	5,000	40,000
Rajan's drawing	25,000	
Leasehold land	20,000	
Freehold premises	7,000	
Goodwill	13,000	
Trademark	15,000	
Plant and Machinery Fixture and Fitting	2,000	
Stock at beginning	18,000	
Bills payable and receivable	4,000	6,000
Sundry Debtors and creditors	16,000	24,000
Purchases and sales Return	80,000	15,00,000
Carriage inward	1,500	
Carriage outward	500	
Freight Duty etc	1,200	
Manufacturing wages	22,000	
Coal, fuel, gas etc	800	
Factory expenses	4,500	
Salaries	18,000	
Commission	2,500	
Rent Taxes Insurance	6,000	
Interest		3,000
Discount	4,000	6,000
Stationary and printing	500	
Trading expenses	1,800	
Cash in hand		39,000
	<u>27,000</u>	<u>27,000</u>
