

**Avinashilingam Institute for Home Science and Higher Education for Women
Coimbatore
Bachelor's Degree Examination – November, 2017
III Semester**

Class: II UG

Major: Information Technology

15BIT103 Business Accounting with Tally

Part – A

Time: 3 hrs

Max. Marks: 100

10 X 1 = 10

Circle the Correct Answer

1. Which is correct?
a) Capital = Assets + Liabilities b) Liabilities = Capital – Assets
c) Capital = Assets - Liabilities d) Assets = Capital – Liabilities
2. Accounting does not record non – financial transactions because of
a) Entity concepts b) Accrual concepts c) Measurement concepts d) Cost concepts
3. Goods destroyed by fire should be credited to
a) Purchase account b) Sales account c) Loss of goods by fire account
d) Insurance account
4. The credit balance in the Bank account is
a) An asset b) A liability c) An expenses d) None of these
5. Cash book prepared on imprest system is
a) Two column cash book b) Cash book c) Petty cash book d) Purchase book
6. Which of the following accounts may have a debit or credit balance?
a) Discount received account b) Sales account c) Trade expenses account
d) Loan account
7. Stock is valued at
a) Cost price b) Market price c) Cost or market price whichever is lower
d) None
8. Provision for bad debts is calculated on
a) Creditors b) Sales c) Purchases d) Debtors
9. A BRS is prepared by
a) Customer of the bank b) Bank c) both a and b d) None
10. Error which affects one account can be
a) Error of omission b) Error of principle c) Error of posting
d) Error of compensating

PART – B

5X6 = 30

Answer the following

Answer should not exceed 400 words or two pages

11. a. Explain in brief the objective of accounting.

(or)

11.b. Explain conventions of materiality.

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12. a. Journalise the following transaction:

2015		Rs.
June	1 Started business with cash	45,000
	2 Good purchased for cash	10,000
	5 Purchased of furniture by cheque	5,000
	9 Sold goods for cash	10,000
	10 Sold goods to Balu	5,000

(or)

12.b. Record the following transaction in the Purchase Book

2015	
April	3 Bought of Ideal Furniture, Delhi: 100 chairs @ Rs. 50 15 tables @ Rs. 100 Delivery and cartage Rs. 40
	8 Purchased from Rao & Co. Hyderabad: 110 steel cabinets @ Rs. 200 Packing and delivery Rs. 1,500
	15 Purchased from steel furniture Co. Delhi 150 collapsible chairs @ Rs. 25

13. a. Compile a cash book with cash and bank columns from the following transactions:

		Rs.
July	1 Cash Balance	500
	Bank Balance	1,750
	5 Cash received from sales of shares	5,500
	6 Paid into Bank	5,000
	7 Paid S. Bose by cheque	1,250
	20 Received from A. Mukherji by a cheque for Rs. 600 and deposited the same in bank.	

(or)

13.b. Following is the trial balance as on 31/12/2016 prepared by an incompetent accountant. You are required to rewrite it in its correct form.

Particulars	Dr.	Cr.
Capital	24,000	-
Stock on 1/1/2016	8,500	
Furniture	2,600	
Purchases		8,950
Cash at bank	7,300	
Carriage	300	
Sales		22,500
Building	12000	
Return inward		1,900
Trade expenses	1,000	
Return outward	350	
Discount received	970	
Office rent		2270
Salary	3,000	
Total	60,020	60,020

14. a. From the following balances extracted at the close of the year ended 31st March, 2015 prepare profit and loss account of M/s Ashok as at that date:

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	Rs.		Rs.
Gross profit	1,01,000	Discount (dr.)	500
Carriage outward	2,500	Apprentice Premium (Cr.)	1,500
Salaries	5,500	Printing	250
Rent	4,100	Rates & Taxes	350
Fire insurance premium	900	Travelling Expenses	200
Bad debts	2,100	sundry trade expenses	300
Income tax paid	3,500	Rent received on sub letting	1000
Life insurance premium	3,000		

(or)

14.b. Write a specimen of Balance sheet.

15. a. From the following particulars, prepare a bank reconciliation statement as on 31/12/2014.

- Overdraft as per cash book Rs. 1,000
- Cheques issued but not presented Rs. 2,000
- Cheques deposited but not collected Rs. 5,000
- Dividend collected and credited in the pass book only Rs. 1,200

(or)

15.b. Rectify the following:

- Purchase of Rs. 300 from Raman passed through Sales Book
- Bill received from Ramu for Rs. 500 passed through bills payable book
- Rs. 400 paid to Mr. B against our acceptance was debited to Mr. C

PART – C

5X12 = 60

Answer the following

16. a. Explain the different accounting concepts.

(or)

16.b. Distinguish between book keeping and accounting.

17. a. Journalise the following transaction and prepare Ledger Account

2015			Rs.
Jan	3	Received cash from Ram	15,000
	4	Purchased goods for cash	2,500
	11	Sold goods to Hari	3,200
	13	Paid Ramesh	1,400
	17	Received from Hari	1,100
	20	Bought furniture from Ram	2,200
	27	Paid rent	480
	30	Paid salary	1,100

(or)

17.b. A businessman gives the following information of his business, you are required to record them in proper Subsidiary Book:

2016			Rs.
March	1	Bought goods from D	25,500
	3	Sold goods to P	18,200
	4	Returned goods to D	800
	5	P returned goods	200
	6	sold goods to A	25,600
	8	A returned goods	2,400
	10	Bought from N	13,700

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12	Goods returned to N	3,700
14	Cash received from D	15,000
16	Cash paid to P	10,000
18	Goods sold to X	14,280
20	Goods purchased from D	18,000
25	Goods returned to D	2,000
26	Goods sold to P	15,000
28	Goods returned by P	2,500
29	Cash paid to D	15,000
31	Goods sold for cash	20,000
31	Machinery purchased from C & Co. On credit	30,000

18. a. Prepare a two column cash book:

2015		Rs.	
Dec	1	Commenced business with cash	50,000
	2	Bought goods for cash	28,000
	5	Received cash from Arun	2,000
	7	Paid cash to Sanjay	2,900
		Discount allowed by him	100
	10	Paid wages	3,000
	14	Received from Rajesh cash	950
		Allowed him discount	50
	16	Paid into bank	10,000
	18	Cash sales	2,500
	20	Purchased stationery for cash	250
	23	Paid suresh cash	3,900
		Discount allowed	100
	26	Received from Rajesh	1,900
		Allowed him discount	100
	30	Paid salary	2,000

(or)

18. b. Shri Ramaswamy maintains a columnar petty cash book on the imprest system. The imprest amount is Rs. 500. From the following information show how his petty cash book would appear for the week ended 12th September, 2015.

		Rs.
Sep.7	Balance in hand received cash reimbursement to make up the Imprest	134.90
	Postage	12.30
	Stationery	32.10
	Entertainment	5.40
8	Travelling and conveyance	12.60
	Miscellaneous expenses	1.10
	Entertainment	7.20
9	Repairs	156.70
10	Postage	17.40
	Entertainment	12.70
	Travelling	38.40
11	Stationery	67.30
	Entertainment	4.10
12	Miscellaneous	1.20
	Postage	5.10
	Repairs	48.30

: 5 :

19. a. Prepare trading, profit and loss account of M/s Prakesh for the year ending 31st December 2014 from the following transaction:

	Rs.		Rs.
Stock (1/1/2014)	2,00,000	Salaries	30,000
Purchases	2,55,000	Rent	12,000
Wages	1,00,000	Depreciation	3,020
Carriage	5,000	Repairs	6,000
Purchase return	13,250	Discount allowed	12,505
Export duty	9,000	Bad debts	9,000
Sales	5,75,000	Advertisement	2,500
Coal & Coke	25,000	Gas & water	1,500
Sales return	10,000	Factory lighting	2,500
Printing	2,250	General expenses	4,000
Closing stock	3,00,000		

(or)

19.b. From the following balances taken from the books of MSS & Co prepare trading and profit and loss account for the year ending 30th June 2014 and balance sheet as on that date:

	Rs.		Rs.
Capital	35,000	return outward	110
Building	18,750	salaries	1,110
Machinery	9,250	discount allowed	200
Debtors	7,000	stock (1/7/2013)	16,500
General expenses	800	bills payable	5,000
Rent paid	3,710	sales	63,500
Drawings	650	purchase	46,850
Electric charges	190	wages	2,500
Carriage inward	850	cash in hand	1,800
Return inward	450	sundry creditors	10,000
Cash at bank	3,000		

Closing stock is valued at Rs. 18,210.

20. a. From the following transaction prepare BRS of Selvan as on 31/3/2014.

- Bank balance as per cash book was Rs. 6,000
- Cheque issued, but not presented for payment Rs. 4,850
- Cheque deposited but not collected Rs. 12,650
- Insurance premium Rs. 250; Dividend on shares Rs. 150 were not shown in the cash book
- Rs. 13,450 being the payment of bill payable by the bank, appeared in the pass book only.

(or)

20.b. Explain different types of errors.
