

**Q.P. Code : 25222**

**First Semester B.Voc.(R.M.) Degree Examination,  
November/December 2019**

*(CBCS – Freshers & Repeaters – 2016 and 17 onwards)*

**Retail Management**

**Paper 1.2 – FUNDAMENTALS OF ACCOUNTING**

*Time : 3 Hours]*

*[Max. Marks : 70*

**SECTION – A**

Answer any **FIVE** questions. Each question carries **2** marks : **(5 × 2 = 10)**

1. (a) Give the meaning of accounting.
- (b) Bring out any two difference between single and double Entry system.
- (c) What is Business Entity Concept?
- (d) What is trading account?
- (e) Why a revised statement of affairs is prepared?
- (f) Why do you prepare bank reconciliation statement?
- (g) What do you mean by prepaid expenses?

**SECTION – B**

Answer any **THREE** of the following questions, each question carries **6** marks : **(3 × 6 = 18)**

2. What are the objectives of Accounting?
3. Briefly explain the accounting process.
4. Briefly explain four advantages and disadvantages of accounting.
5. Prepare Trial Balance in the books of Mr. Ashok from the following ledger :

Particulars	₹	Particulars	₹
Capital	?	Debtors	20,000
Creditors	50,000	Sales	2,00,000
Purchases	2,50,000	Outstanding expenses	15,000
Establishment expenses	12,000	Prepaid expenses	5,000
Building	2,00,000	Closing stock	60,000

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6. Govind, a businessman Enters into the following transactions in the month of Jan. 2018. Prepare purchase book and Purchase returns book :

		₹
1 <sup>st</sup> Jan. 2018	Purchased goods from Gopal subject to trade discount of 10%	2,000
2 <sup>nd</sup> Jan. 2018	Returned goods to Gopal	200
3 <sup>rd</sup> Jan. 2018	Sent a debit note to Gopal for an over charge made by him	100
4 <sup>th</sup> Jan. 2018	Purchased goods from Jones	500

SECTION - C

Answer any **THREE** questions. Each question carries **14** marks : (3 × 14 = 42)

7. Journalise the following transactions in the books of Yuvaraj :

		₹
1 Jan. 2018	Started business with cash	1,00,000
2 Jan. 2018	Paid into bank	20,000
3 Jan. 2018	Purchased goods for cash	30,000
4 Jan. 2018	Purchased furniture and paid by cheque	10,000
5 Jan. 2018	Sold goods for cash	30,000
6 Jan. 2018	Sold goods to Rahul	20,000
7 Jan. 2018	Purchased goods from Anil	50,000
9 Jan. 2018	Cash received from Rahul ₹ 19,500 on full settlement of his account	
10 Jan. 2018	Cash withdraw from Bank :	
	for Private use	3,000
	for Business use	2,000
11 Jan. 2018	Telephone charges paid	500
12 Jan. 2018	Paid for :	
	Stationery	200
	Rent	800
	Salary	2,000

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8. Enter the following information in three column cash book :

1 March 2018	Commenced business with ₹ 10,000
2 March 2018	Paid into bank ₹ 8,000
7 March 2018	Purchased goods by cheque ₹ 3,000
10 March 2018	Paid rent ₹ 150
12 March 2018	Purchased furniture by cheque ₹ 180
15 March 2018	Cash sales ₹ 650
16 March 2018	Gave Gopal a cheque ₹ 970 and allowed discount ₹ 25
18 March 2018	Received from Narayan a cheque for ₹ 1,500 and he was allowed a discount of ₹ 30
20 March 2018	Paid into bank ₹ 1,500
25 March 2018	Paid wages ₹ 60
28 March 2018	Withdrew for office use ₹ 400
30 March 2018	Received from Gopal ₹ 100
31 March 2018	Withdrew for personal use by cheque ₹ 150.

9. From the following particulars prepare a bank reconciliation statement as on 31<sup>st</sup> March 2019 :

- (a) Bank balance as on 31<sup>st</sup> March 2019 as per pass book ₹ 15,200
- (b) Bank charges debited ₹ 130
- (c) Cheques issued but not presented to bank for payment ₹ 2,000
- (d) Cheques deposited to bank but not credited in the pass book ₹ 7,000
- (e) A cheque entered as deposit in the cash book instead of a payment ₹ 220
- (f) ₹ 364 paid into bank had been entered twice in the cash book
- (g) The receipt column of the cash book has been overcast ₹ 1,000
- (h) A cheque drawn for ₹ 9 had been incorrectly entered in the cash book as ₹ 99.

10. Mr. Satish on 1.1.2018 :

Liabilities	₹	Assets	₹
Creditors	75,000	Furnitures	20,000
Capital	80,000	Debtors	90,000
		Stock	40,000
		Bank	5,000
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	1,55,000		1,55,000

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His Bank transactions during the year were :

Receipts from customers	₹ 3,50,000
Drawings for personal expenses	₹ 60,000
Payment of salaries	₹ 30,000
Payment to creditors	₹ 2,20,000
Payment of rent	₹ 15,000
Miscellaneous expenses	₹ 4,000

On 31<sup>st</sup> Dec. 2018, debtors stood at ₹ 95,000 and Cr's at ₹ 64,000. No inventory on stock was taken on 31<sup>st</sup> Dec. 2018. But the gross profit was estimated at 40% on turnover made during the year. Prepare Bank account, Trading and Profit and Loss account for the year and Balance sheet as on 31<sup>st</sup> Dec. 2018.

11. Enter the following transactions in a petty cash book with analytical columns for :

- Postage and telegram
- Printing and stationery
- Cartage and coolie
- Travelling and conveyance
- Office expenses
- Advertisements and
- Ledger accounts.

(The amount of the interest being ₹ 3,000)

1 Jan. 2018	Petty cash in hand ₹ 250
2 Jan.	Postage stamps purchased ₹ 250
4 Jan.	Paid for cleaning the office floor ₹ 100
8 Jan.	Paid auto fare of office clerks ₹ 160
9 Jan. 2018	Purchased for office, Paper Clips ₹ 80
14 Jan.	Telegram sent to Mysore ₹ 8
16 Jan.	Paid cartage and coolie ₹ 100
20 Jan.	Pen purchased ₹ 40
21 Jan.	Paid for advertisement ₹ 300
24 Jan.	Postal charges incurred ₹ 50
26 Jan.	Bought pencils and papers ₹ 50
28 Jan.	Paid to Rama on account ₹ 200
30 Jan.	Refreshment to office staff for extra work done ₹ 250