

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: BBA
BRANCH: BBA**

**SEMESTER : I
SESSION : MO/2023**

SUBJECT: MN108 INTRODUCTION TO BUSINESS ACCOUNTING

TIME: 3 HOURS

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
2. Attempt all questions.
3. The missing data, if any, may be assumed suitably.
4. Before attempting the question paper, be sure that you have got the correct question paper.
5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.

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|---|--------|---|-------------|-----|-------------|-----|-----------------|--------|-----------------|-------|-----------|--------|--------------|-------|-------|--------|------------------|-------|---------|-------|------------------|-------|------|-------|------------------|-----|-------------------|-------|-----------|-----|------------------|-------|---|-----------|
| Q.1(a) Define Accounting and any four accounting concepts. | [5] 2 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.1(b) Journalise the following Transactions | [5] 3 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| i) Started business with Cash Rs. 50,000; goods Rs. 10,000; furniture Rs. 15,000.
ii) Goods purchased for Rs. 5,000 in cash and Rs. 3,000 on credit from ABC company.
iii) Sold goods to Mr. Y Rs. 5,000.
iv) Cash Received from Y for Rs. 5,000.
v) Rent and salary paid Rs. 5,000 and 10,000. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.2(a) Discuss and show different types of assets and liabilities in balance sheet of a business. | [5] 4 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.2(b) From the following balances prepare trading and profit and loss A/c. for the year ending 31st Dec. 2022. | [5] 3 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Particulars</th> <th style="width: 12.5%;">Rs.</th> <th style="width: 25%;">particulars</th> <th style="width: 12.5%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock(1-1-2022)</td> <td style="text-align: right;">15,000</td> <td>Purchase return</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>purchases</td> <td style="text-align: right;">20,000</td> <td>Sales return</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>sales</td> <td style="text-align: right;">30,000</td> <td>Carriage inwards</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>cartage</td> <td style="text-align: right;">1,000</td> <td>General Expenses</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">1,000</td> <td>Discount allowed</td> <td style="text-align: right;">100</td> </tr> <tr> <td>Interest received</td> <td style="text-align: right;">2,000</td> <td>Insurance</td> <td style="text-align: right;">500</td> </tr> <tr> <td>Salaries & wages</td> <td style="text-align: right;">2,000</td> <td>The closing stock on 31st Dec. 2022</td> <td style="text-align: right;">Rs. 5,000</td> </tr> </tbody> </table> | | | Particulars | Rs. | particulars | Rs. | Stock(1-1-2022) | 15,000 | Purchase return | 2,000 | purchases | 20,000 | Sales return | 1,000 | sales | 30,000 | Carriage inwards | 1,000 | cartage | 1,000 | General Expenses | 1,000 | Rent | 1,000 | Discount allowed | 100 | Interest received | 2,000 | Insurance | 500 | Salaries & wages | 2,000 | The closing stock on 31 st Dec. 2022 | Rs. 5,000 |
| Particulars | Rs. | particulars | Rs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stock(1-1-2022) | 15,000 | Purchase return | 2,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| purchases | 20,000 | Sales return | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| sales | 30,000 | Carriage inwards | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| cartage | 1,000 | General Expenses | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent | 1,000 | Discount allowed | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest received | 2,000 | Insurance | 500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries & wages | 2,000 | The closing stock on 31 st Dec. 2022 | Rs. 5,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.3(a) Distinguish between Capital Expenditure and Revenue Expenditure. | [5] 3 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.3(b) State whether the following is capital nature or revenue nature and Why? | [5] 3 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Expenditure incurred on repairs and whitewashing at the time of purchasing of an old building to make it useable.
(2) Registration fees paid at the time of purchase of a building.
(3) Advertising expenditure, the benefits of which a machine will last for five years.
(4) Rs. 2,000 spent on repairs of a machine.
(5) Custom duty paid on import of goods. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.4(a) Differentiate between Receipt and Payment account and Income and Expenditure account. | [5] 4 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.4(b) Define and Show how following items will be treated in Income and Expenditure account. | [5] 4 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| i) Entrance fee, ii) Donation, iii) Subscription, iv) Grant from Govt. and vi) Salary. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.5(a) Write the entries in the books of drawer and Drawee of bill of exchange, in case of the following situation: Acceptance of bill, payment of bill, Dishonour of bill and discounting of bill. | [5] 5 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.5(b) Prepare Bank Reconciliation statement as on 31 st December 2022, from the following; | [5] 5 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| i) Balance as per Cash Book Rs. 17,000
ii) Cheque issued but not presented for payment Rs. 12,000.
iii) Cheque deposited but not credited upto 31 st December 2022, Rs. 2,000.
iv) Interest charged by the bank Rs. 200.
v) Interest credited by the bank Rs. 300.
vi) Customer directly deposited Rs. 500. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |