

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

**CLASS: BBA/IMBA**  
**BRANCH: BBA/IMBA**

**SEMESTER : I**  
**SESSION : MO/2024**

**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 and differentiate between accounting and book keeping.	[5]	2 1																																																
Q.1(b)	Explain the golden rules of making entry in accounting with example.	[5]	2,3 2																																																
Q.2(a)	How will you deal with the following items appearing in adjustments.1) Closing stock, 2) Depreciation Account, 3) prepaid Rent, 4) outstanding salary, 5) Accrued interest.	[5]	3 3																																																
Q.2(b)	From the following balances, taken from the trial balance of Mr. Suresh, prepare a trading and profit and loss account for the year ending 31 <sup>st</sup> Dec. 2023	[5]	3 3																																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th><th style="text-align: center;">Debit (Rs)</th><th style="text-align: center;">Credit(Rs.)</th><th></th></tr> </thead> <tbody> <tr> <td>Stock on 1.1.2023</td><td style="text-align: center;">2,000</td><td></td><td></td></tr> <tr> <td>Purchases and sales</td><td style="text-align: center;">20,000</td><td style="text-align: center;">30,000</td><td></td></tr> <tr> <td>Returns</td><td style="text-align: center;">2,000</td><td style="text-align: center;">1,000</td><td></td></tr> <tr> <td>Carriage</td><td style="text-align: center;">1,000</td><td></td><td></td></tr> <tr> <td>Cartage</td><td style="text-align: center;">1,000</td><td></td><td></td></tr> <tr> <td>Rent</td><td style="text-align: center;">1,000</td><td></td><td></td></tr> <tr> <td>Interest Received</td><td></td><td style="text-align: center;">2,000</td><td></td></tr> <tr> <td>Salaries</td><td style="text-align: center;">2,000</td><td></td><td></td></tr> <tr> <td>General expenses</td><td style="text-align: center;">1,000</td><td></td><td></td></tr> <tr> <td>Discount</td><td></td><td style="text-align: center;">500</td><td></td></tr> <tr> <td>Insurance</td><td style="text-align: center;">500</td><td></td><td></td></tr> </tbody> </table>				Particulars	Debit (Rs)	Credit(Rs.)		Stock on 1.1.2023	2,000			Purchases and sales	20,000	30,000		Returns	2,000	1,000		Carriage	1,000			Cartage	1,000			Rent	1,000			Interest Received		2,000		Salaries	2,000			General expenses	1,000			Discount		500		Insurance	500		
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Q.3(a)	Make difference between capital expenditure and revenue expenditure	[5]	3																																																
Q.3(b)	State, by giving reasons whether the following items of expenditure are capital or revenue.	[5]	3,4																																																
	a) Carriage paid on goods purchase Rs.500.																																																		
	b) Wages of workmen employed for setting up new machinery Rs.1,000.																																																		
	c) Repairs to purchased second hand furniture Rs. 700.																																																		
	d) Rs. 1,100 registration fees paid at the time of purchase of a building.																																																		
	e) Rs. 600 paid for removal to a new site.																																																		
Q.4(a)	Difference between profit making organization and Not for profit making organization.	[5]	4																																																
Q.4(b)	Discuss the different features of Receipt and payment account Income and expenditure account.	[5]	4																																																
Q.5(a)	Define bill of exchange and differentiate between bill of exchange and promissory note	[5]	5																																																
Q.5(b)	Explain the different reasons of difference in cash book and pass book balance.	[5]	5																																																