



PRESIDENCY UNIVERSITY, BENGALURU  
SCHOOL OF LAW

Max Marks: 100

Max Time: 180 Mins

Weightage: 40 %

Set A

COMPREHENSIVE EXAMINATION

I Semester 2016-2017

Course: **BBL A 103 Business Accounting**

19 January 2017

**Instructions:**

- i. Answer all questions
- ii. Answer to the point
- iii. Nonprogrammable calculators are allowed

**Part A**

(10 Q x 2 M= 20 Marks)

1. What are current assets? Name two current assets.
2. State the accounting equation and briefly explain its constituents.
3. State the relationship between balance sheet and income statement.
4. Define business entity concept of accounting.
5. Name the three types of organizations based on ownership
6. Two internal and external users of accounting
7. What are the constituents of Owner's equity?
8. What are the two types of liabilities? Give two examples for each type of liability
9. What is a prepaid expense? Specify the financial statement in which it will appear and under what item it will be shown.
10. What is an accrued (outstanding) expense? Specify the financial statement in which it will appear and under what item it will be shown.

**Part B**

(8 Q x 5 M= 40 Marks)

1. Enumerate the rules of debit and credit based on the Modern Approach.
2. State and briefly explain any five accounting concepts.
3. From the following data calculate the gross profit made by the trader in 2016.

1.	Inventory as on 1-1-2016	Rs.20000
2.	Purchases during the year	Rs.60000
3.	Purchases return during the year	Rs.5000
4.	Sales during the year	Rs.100000
5.	Sales return during the year	Rs.10000
6.	Inventory as on 31-12-2016	Rs.15,000



4. Give an example for each of the following type of transactions
- Increase in one asset, decrease in another asset
  - Increase in assets, increase in owner's equity
  - Decrease in assets, decrease in liabilities
  - Increase in assets, increase in liabilities
  - Decrease in assets, decrease in owner's equity
5. The list that follows presents the accounts (in alphabetical order) of the Chapla Corporation as of 31 Dec,2016

Accounts Payable	x	Equipment	Rs.14400
Accounts Receivable	Rs.5600	Land	Rs.6240
Building	Rs.40800	Notes Payable	Rs.20000
Cash	Rs.10800	Prepaid Insurance	Rs.1320
Common Stock	Rs.24000	Retained Earnings	Rs.13740

Prepare a Trial Balance with the proper heading and with the accounts. Compute the balance of Accounts Payable.

6. Fill in the blanks

Figures are in Rs.

Case	Capital as on 31-12-2015	Capital as on 1-1-2015	Profit/Loss during 2015	Drawings during 2015	Fresh capital introduced during 2015
I	?	24000	3000	2000	4000
II	30000	?	(2000)	2000	3000
III	51000	10000	?	1000	8000
IV	20000	20000	5000	?	1000
V	15000	20000	(2000)	5000	?

7. The following is a list of the assets and claims of Crafty Engineering Ltd at 30 June 2016

Sl No:	Items	₹ 000
1	Trade Payables	86
2	Motor Vehicles	38
3	Loan from Industrial Finance co(long term)	260
4	Machinery and tools	207
5	Bank overdraft	116
6	Inventories (stock)	153
7	Freehold premises(land)	320
8	Trade receivables (Debtors)	185
9	Capital	?

Required:

- Prepare the balance sheet of the business as at 30 June,2016 from the above information using the vertical format (Hint: There is a missing item that needs to be deducted and inserted).



8. Develop accounting equation from the following transactions
- Mohan commenced business with cash Rs.50000
  - Purchased goods for cash Rs.30000
  - Purchased goods on credit Rs.20000
  - Sold goods for Rs.12000 costing Rs.10000
  - Bought furniture on credit from A Ltd Rs. 2000
  - Paid cash to a creditor Rs.15000

**Part C**

(2 Q x 20 M= 40 Marks)

- A machine was purchased by a X Ltd for ₹200000. The scrap value at the end of its expected useful life of 4years is estimated ₹ 24000. Calculate the amount of depreciation and Net Book Value (NBV) for the four years using Straight Line Method.  
Also, calculate the depreciation charges and Net Book Value (NBV) for the machine for four years using reducing balance method at a rate of 40%. Calculate the amount of depreciation and Net Book Value (NBV) for the four years using Reducing Balance Method.
- H & S Ltd had the following trial balance at 31 December 2016

Particulars	₹
Share capital	100,000
Reserves at 1.1.2016	150,000
Long term loans	100,000
Opening Inventory at 1.1.2016	200,000
Purchases	350,000
Sales	750,000
Sales returns	3,000
Motor vehicles at cost	100,000
Motor vehicles accumulated depreciation at 1.1.2016	60,000
Office equipment at cost	120000
Office equipment accumulated depreciation at 1.1.2016	50000
Land and buildings at cost	230000
General expenses	203000
Selling expenses	10000
Payables	200000
Receivables	194000
Interest paid	5000
Bank overdraft	5000

You are given the following additional information:

1. Closing Inventory is £180,000.
2. Insurance of £2,000 for the 12 months to 30 June 20X4 is included in general expenses.
3. Audit and accountancy fees for the year of £1,000 have not been paid and are to be provided for.
4. A sum of £20,000 included in Receivables relates to a customer who has gone bankrupt.
5. Depreciation for the year is to be charged on the straight-line basis on motor vehicles at 20% and office equipment at 15%.

**Prepare an Income Statement and a Statement of Financial Position for the year ended 31 December 2016.**





# PRESIDENCY UNIVERSITY, BENGALURU

## SCHOOL OF LAW

Max Marks: 80

Max Time: 120 Mins

Weightage: 20 %

Set B

### MID TERM EXAMINATION

I Semester 2016-2017 Course: BBL A 103: Business Accounting

26 October 2015

#### Instructions:

- i. Answer all questions
- ii. Answer to the point
- iii. Nonprogrammable calculators are allowed

#### Part A

(10 Q x 2 M= 20 Marks)

1. What is accounting?
2. Name the statement that shows the income and expenses for the accounting period.
3. What are the constituents of Owner's equity?
4. What is net worth?
5. Two external users of accounting.
6. If the capital of a business is Rs.8000 and outside liabilities are Rs.6000, calculate total assets of the business.
7. What are the qualitative characteristics of accounting information?
8. Define money measurement concept of accounting.
9. What is a cash flow statement?
10. Name the three types of organizations based on ownership

#### Part B

(6 Q x 5 M= 30 Marks)

1. Explain any five concepts of accounting.
2. Explain the rules of debit and credit under Modern Approach.
3. Calculate total equity if:
  - (i) Owner's equity in the beginning Rs.36000
  - (ii) Equity of creditors at the end Rs.30000
  - (iii) Revenue during the period Rs.42000
  - (iv) Expenses during the same period Rs.39000Also calculate the amount of owner's equity at the end.
4. Give an example for each of the type of transactions
  - (a) Increase in one asset, decrease in another asset
  - (b) Increase in assets, increase in owner's equity



- (c) Decrease in assets, decrease in liability  
 (d) Decrease in assets, decrease in owner's equity  
 (e) Increase in one liability, decrease in another liability
5. Develop accounting equation from the following transactions
- Mohan commenced business with cash Rs.50000
  - Purchased goods for cash Rs.30000
  - Purchased goods on credit Rs.20000
  - Sold goods for Rs.12000 costing Rs.10000
  - Bought furniture on credit from A Ltd Rs. 2000
  - Paid cash to a creditor Rs.15000

6. Fill in the missing figures.

Figures are in Rs.

Case	Total Assets	Total Equities		
		Internal (Owner's equity)	External(Liabilities)	Total
I	30000	20000	?	?
II	?	15000	18000	?
III	36000	15000	?	?
IV	42000	?	15000	?
V	?	?	21000	30000

### Part C

(2 Q x 15 M= 30 Marks)

1. Journalise the following transactions

2016

- Jan 1. Ajith started business with Rs.22000
- Opened a bank a/c Rs.10000
- Purchased goods for cash Rs.7000
- Purchased furniture Rs.3000
- Withdrew from bank for office use Rs.2000
- Purchased goods, paid by cheque Rs 3000
- Sold goods for cash Rs.6000
- Wages paid by cheque Rs.4000
- Lighting charges paid Rs.70
- Drawings from bank Rs.2500
- Personal drawings in cash Rs.200
- Goods drawn for personal purpose Rs.300
- Commission received in cash Rs.150
- Commission paid by cheque Rs.150
- Interest on deposit received Rs.60
- Cheque paid into bank Rs.150
- Cash sales Rs.11000
- Cash purchases Rs.7000
- Bank charges Rs.60

2. For each of the following entries, describe the event that gave rise to the event.

	Rs.	Rs.
A. Accounts Payable	1300	
To Cash		1300
B. Prepaid Rent	4200	
To Cash		4200
C. Office Supplies	1500	
To Accounts Payable		1500
D. Cash	5000	
To Unearned revenue (received in advance from Customers)		5000
E. Accounts Receivable	500	
To Fee revenue		500
F. Telephone Expense	200	
To Cash		200
G. Rent paid	1000	
To Cash		1000



- (c) Purchased goods on credit Rs.20000
- (d) Sold goods for Rs.12000 costing Rs.10000
- (e) Bought furniture on credit from A Ltd Rs. 2000
- (f) Paid cash to a creditor Rs.15000

5. Calculate the total assets and capital as on 31-12-2015 in each of the following cases.
- (a) Shyam started a business on 1-1-2015 with a capital of Rs.10000 and a loan of Rs.5000. During the year the made a profit of Rs.5000
  - (b) If in the preceding case the proprietor has introduced an additional capital of Rs.5000 and had withdrawn Rs.3000 for personal use.
  - (c) If in the preceding case apart from the loan, Shyam owes Rs.2500 to a supplier of goods on 31-12-2015.
6. Fill in the blanks

Figures are in Rs.

Case	Capital as on 31-12-2015	Capital as on 1-1-2015	Profit/Loss during 2015	Drawings during 2015	Fresh capital introduced during 2015
I	?	10000	5000	2000	1000
II	20000	?	(1000)	3000	4000
III	21000	10000	?	2000	10000
IV	10000	20000	5000	?	1000
V	15000	30000	(8000)	7000	?

### Part C

(2 Q x 15 M= 30 Marks)

1. Prove that accounting equation is satisfied in all the following transaction.

i. Ganesh started business with	<b>Rs.</b>
Cash	20000
Goods	12000
Machine	8000
ii. He purchased goods	5000
iii. Sold goods (costing Rs.2000)	2500
iv. Purchased goods on credit	7000
v. Payment made to creditors in full settlement	6900
vi. Sold goods on credit (Costing Rs. 5400)	6000
vii. Payment received from debtors in full settlement	5800
viii. Salaries paid	4000
ix. Wages outstanding	400
x. Prepaid insurance	100
xi. Rent received	300
xii. Amount withdrawn for office use	3000
xiii. Interest paid on loan	200
xiv. Depreciation on m/c	800
xv. Purchased goods on credit	17000



2. For each of the following entries, describe the event that gave rise to the event.

	Rs.	Rs.
A. Accounts Payable	1300	
To Cash		1300
B. Prepaid Rent	4200	
To Cash		4200
C. Office Supplies	1500	
To Accounts Payable		1500
D. Cash	5000	
To Unearned revenue (received in advance from Customers)		5000
E. Accounts Receivable	500	
To Fee revenue		500
F. Telephone Expense	200	
To Cash		200
G. Rent paid	1000	
To Cash		1000





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## MID TERM EXAMINATION

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26 October 2016

### Instructions:

- i. Answer all questions
- ii. Answer to the point
- iii. Nonprogrammable calculators are allowed

### Part A

(10 Q x 2 M= 20 Marks)

1. State the accounting equation.
2. What is an 'asset'? Give two examples
3. Define business entity concept of accounting.
4. Show the accounting equation if there are revenues and expenses.
5. State whether income increases or decreases owner's equity.
6. If the capital of a business is Rs.6000 and outside liabilities are Rs.9000, calculate total assets of the business.
7. What are the qualitative characteristics of accounting information?
8. Name the four basic financial statements
9. Name the three types of organizations based on ownership
10. Two external users of accounting.

### Part B

(6 Q x 5 M= 30 Marks)

1. Explain the rules of debit and credit under Modern Approach
2. Explain any five concepts of accounting.
3. Give an example for each of the type of transactions.
  - (a) Increase in one asset, decrease in another asset
  - (b) Increase in assets, increase in owner's equity
  - (c) Decrease in assets, decrease in liability
  - (d) Decrease in assets, decrease in owner's equity
  - (e) Increase in one liability, decrease in another liability
4. Develop accounting equation from the following transactions
  - (a) Mohan commenced business with cash Rs.50000
  - (b) Purchased goods for cash Rs.30000