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**Presidency University**

**Bengaluru**

**SCHOOL OF LAW**

**Make-Up Examinations, July 2024**

**Winter Semester**: I

**Course Code**: BBL3002

**Course Name**: BUSSINESS ACCOUNTING

**Date**: 05/07/2024

**Time**: 9:30 am – 12:30 pm

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Do not write any matter on the question paper other than roll number.*
3. *x*

**Part A**

**Answer any 4 Questions. Each question carries 5 marks. (4Qx 5M= 20M)**

1. Explain the difference between bookkeeping and accounting with examples.

(C.O.1) [Understanding]

2. Discuss the advantages and limitations of accounting in business.

(C.O.1) [Understanding]

3. Describe the purpose and structure of a cash book with cash, bank, and discount columns.

(C.O.2) [Understanding]

4. Identify and explain the different types of errors in accounting and how they can be rectified.

(C.O.3) [Understanding]

5. Discuss the need for preparing a balance sheet and the importance of grouping and marshalling of assets and liabilities.

(C.O.4) [Understanding]

6. Explain the basic accounting equation and its significance in preparing financial statements.

(C.O.4) [Understanding]

**Part B**

**Answer any 4 Questions. Each question carries 10 marks. (4Qx10M=40M)**

7. Record the following transactions in the journal:

1. Purchased office supplies for Rs. 500 on credit.
2. Sold goods worth Rs. 800 for cash.
3. Paid Rs. 200 for office rent.
4. Received Rs. 300 from a customer for services rendered.
5. Borrowed Rs. 1000 from the bank.

(C.O.3) [Application]

8. Prepare a trial balance from the following ledger balances:

|  |  |
| --- | --- |
| Item | Amount |
| Cash | Rs. 2000 |
| Accounts Receivable | Rs. 1500 |
| Accounts Payable | Rs. 500 |
| Sales | Rs. 3000 |
| Purchases | Rs. 1200 |
| Office Supplies | Rs. 300 |
| Rent Expense | Rs. 400 |
| Salaries Expense | Rs. 800 |
| Equipment | Rs. 2500 |
| Capital | Rs. 5300 |

Note: Create suspense account in case the trial balance does not match.

(C.O.4) [Application]

9. Record the following transactions in the Purchases Book:

1. Bought goods worth Rs. 1000 from ABC Ltd. on credit.
2. Purchased office furniture worth Rs. 300 from XYZ Ltd. on credit.
3. Bought raw materials worth Rs. 1500 from LMN Ltd. on credit.
4. Purchased computer equipment worth Rs. 800 from PQR Ltd. on credit.
5. Bought stationary worth Rs. 200 from DEF Ltd. on credit.

(C.O.5) [Application]

10. Prepare journal entries for the following rectifications:

1. Sales of Rs. 200 were wrongly credited to Purchases.
2. Rent expense of Rs. 500 was not recorded.
3. Equipment purchase of Rs. 1000 was wrongly debited to Supplies.
4. Cash received from a customer of Rs. 600 was not recorded.
5. Interest income of Rs. 150 was recorded as interest expense.

(C.O.5) [Application]

11. Explain the features and the importance of bills of exchange in business transactions.

(C.O.4) [Application]

12. Record the following transactions in the Sales Book and Sales Returns Book:

1. Sold goods worth Rs. 1500 to MNO Ltd. on credit.
2. Sold goods worth Rs. 900 to XYZ Ltd. on credit.
3. Goods worth Rs. 300 sold to ABC Ltd. were returned.
4. Sold goods worth Rs. 1200 to DEF Ltd. on credit.
5. Goods worth Rs. 100 sold to MNO Ltd. were returned.

(C.O.4) [Application]

**Part C**

**Answer any 2 Questions. Each question carries 20 marks. (2Qx20M=40M)**

13. Prepare a Profit and Loss Account considering the following:

|  |  |
| --- | --- |
| Item | Amount |
| Gross Profit | Rs. 3000 |
| Salaries | Rs. 1000 |
| Rent | Rs. 500 |
| Utilities | Rs. 300 |
| Depreciation | Rs. 200 |
| Insurance | Rs. 150 |
| Advertising | Rs. 250 |
| Repairs and Maintenance | Rs. 100 |
| Interest Expense | Rs. 120 |
| Miscellaneous Expenses | Rs. 80 |

(C.O.5) [Application]

14. Prepare a Trading Account from the following details:

|  |  |
| --- | --- |
| Item | Amount |
| Opening Stock | Rs. 2000 |
| Purchases | Rs. 5000 |
| Sales | Rs. 8000 |
| Closing Stock | Rs. 3000 |
| Purchase Returns | Rs. 500 |
| Sales Returns | Rs. 300 |
| Carriage Inward | Rs. 200 |
| Wages | Rs. 600 |
| Freight Inward | Rs. 150 |
| Direct Expenses | Rs. 250 |

(C.O.5) [Application]

15. From the following balances extracted from the books of XYZ Sole Proprietorship, prepare a Balance Sheet as on 31st December 2023:

|  |  |
| --- | --- |
| Item | Amount |
| Cash | Rs. 1500 |
| Accounts Receivable | Rs. 2000 |
| Inventory | Rs. 2500 |
| Office Equipment | Rs. 3000 |
| Accounts Payable | Rs. 1000 |
| Bank Loan | Rs. 2000 |
| Owner’s Capital | Rs. 6000 |
| Accumulated Depreciation on Equipment | Rs. 500 |

(C.O.5) [Application]