

# Rajiv Gandhi University of Health Sciences, Karnataka

IV Semester Bachelors in Hospital Administration Degree Examination – APRIL-2019

Time: Three Hours

Max. Marks: 80 Marks

## Fundamentals of Accounting

**Q.P. CODE: 1303**

(QP contains two pages)

Your answers should be specific to the questions asked

Draw neat, labeled diagrams wherever necessary

### LONG ESSAYS (Answer any Two)

2 x 10 = 20 Marks

1. Explain internal and external users of accounting information.
2. Explain Trading Account, Profit and Loss Account and Balance Sheet.
3. Draw the two column cash book and record the following transaction also prepare the bank account assuming cheque received are paid into bank on same date.

2013

- Jan 1<sup>st</sup> – Commenced business with cash Rs. 22,600
- Jan 2<sup>nd</sup> – Opened a current account and deposited Rs. 16,000
- Jan 5<sup>th</sup> – Received a cheque for Rs. 15,000 for goods sold
- Jan 8<sup>th</sup> – Issued a cheque for Rs. 10,000 furniture purchase.
- Jan 9<sup>th</sup> – Purchased goods for Rs. 3,000 and paid by cheque
- Jan 10<sup>th</sup> – Received a cheque for Rs. 4,900 in settlement of Rs. 5,000 from ram
- Jan 12<sup>th</sup> – Paid into bank Rs. 5,000
- Jan 15<sup>th</sup> – Paid rajan Rs. 2,250 in settlement of Rs. 2,500
- Jan 18<sup>th</sup> – Drew cheque for personal use Rs.500
- Jan 20<sup>th</sup> – Paid wages in cash Rs. 600
- Jan 22<sup>nd</sup> – Drew for office use Rs. 2,500
- Jan 25<sup>th</sup> – Paid salary by cheque Rs. 1,500
- Jan 30<sup>th</sup> – Paid in excess of Rs. 1,000 to bank

### SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. Explain any four accounting concepts.
5. Explain different system of book keeping.
6. Differentiate between journal and ledger?
7. Explain the errors disclosed by trial balance.
8. What is meant by bank reconciliation statement? Explain its advantages?
9. Journalise the following transactions of M/S Hari and Sons.

2014

- July 1<sup>st</sup> – Business started with Rs. 1,00,000 and cash deposited in bank Rs. 60,000
  - July 2<sup>nd</sup> – Machinery purchased from anitha on credit Rs. 20,000
  - July 5<sup>th</sup> – Furniture purchased from bharath for cash Rs. 10,000
  - July 10<sup>th</sup> – Goods sold to yeshas Rs. 9,000
  - July 11<sup>th</sup> – Goods returned by yeshas Rs. 1,000
  - July 12<sup>th</sup> – Goods sold for cash Rs. 20,000
  - July 15<sup>th</sup> – Purchase of goods for cash Rs. 10,000
  - July 18<sup>th</sup> – Cash received from yeshas Rs. 4,000
  - July 20<sup>th</sup> – Cash paid to Xavier Rs. 8,000
  - July 25<sup>th</sup> – Cash withdrawn from bank Rs. 20,000
  - July 28<sup>th</sup> – Advertisement expenses Rs. 5,000
  - July 30<sup>th</sup> – Office stationery purchased for Rs. 2,000
  - July 31<sup>st</sup> – Paid rent Rs. 1,000
  - July 31<sup>st</sup> – Cash withdrawn from bank for personal use Rs. 2,500
10. Prepare a trial balance from the following:

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|                  |        |                   |        |
|------------------|--------|-------------------|--------|
| Capital          | 24,000 | Opening stock     | 8,500  |
| Furniture        | 2,600  | Purchases         | 8,950  |
| Cash at bank     | 730    | Carriage          | 300    |
| Sales            | 22,500 | Buildings         | 12,000 |
| Returns inwards  | 1,900  | Trade expenses    | 1,000  |
| Return out wards | 350    | Discount received | 970    |
| Office rent      | 2,270  | salary            | 3,000  |

11. Enter the following transactions in proper subsidiary books:  
 Jan 2 – Sold goods to yatiraj, subject to a trade discount of 10% Rs. 3, 000  
 Jan 4 – Received a debit note from yatiraj in respect of overcharge in the bill Rs. 200  
 Jan 5 – Yatiraj returned damaged goods Rs. 100  
 Jan 12 – Jayraman returned goods Rs. 100  
 From the following balances extracted at the close of the year ended 31<sup>st</sup> march 2014, prepare profit and loss account of Balaram as at that date
12. Prepare a balance sheet from the following:
- |                      |        |                    |       |
|----------------------|--------|--------------------|-------|
| Capital              | 11,000 | Furniture          | 8,000 |
| Computers            | 12,000 | Cash               | 6,000 |
| Bills receivable     | 4,000  | Bills payable      | 5,000 |
| Reserves and surplus | 3,000  | Bank overdraft     | 5,700 |
| Creditors            | 2,200  | Mortgage loan      | 5,600 |
| Outstanding expenses | 1,200  | Outstanding income | 1,500 |
| Prepaid expenses     | 2,200  |                    |       |
13. Prepare a bank reconciliation statement from the following particulars:  
 a) Credit balance as per pass book on 31<sup>st</sup> march 2013, Rs. 25,00  
 b) Cheques amounting to Rs.4,000 were deposited for collection but cheques for Rs. 2,000 have been credited in the pass book in april 2013  
 c) Cheques amounting to RS. 2,500 were drawn on 25<sup>th</sup> march 2013, out of which cheques of Rs. 1,500 were cashed upto 31<sup>st</sup> march 2013  
 d) A wrong debit of Rs. 100 appears in the pass book  
 e) Bank charges Rs. 25 appear in pass book but not in the cash book  
 f) Interest on investments collected by the bank and credited in the pass book Rs.400 but not entered in the cash book  
 g) a cheque of Rs, 150 received from a customer was entered in the cash book in march 2013 but the same was omitted to be paid into bank

### SHORT ANSWERS (Answer any ten)

**10 x 2 = 20 Marks**

- Define accounting.
- What is accounting equation?
- What is meant by real account?
- What is meant by insolvent?
- Name any four current liabilities?
- Who is a debtor?
- What is meant by statement of affairs?
- How do you treat closing stock in final accounts?
- What is meant by trial balance?
- What is meant by capital?
- What is meant by bad debts?
- What is meant by invoice?

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