

Rajiv Gandhi University of Health Sciences, Karnataka

I Semester Bachelors in Hospital Administration Degree Examination – May 2016

Time: Three Hours

Max. Marks: 80 Marks

Fundamentals of Accounting

Q.P. CODE: 1303

(QP contains Three 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 different users of accounting information.
2. What is subsidiary book? Explain different kinds of subsidiary book.
3. Prepare final accounts from the following trial balance and other adjustments:

Particulars	Debit (Rs)	Credit (Rs)
Machinery	78,000	-----
Furniture	2,000	-----
Capital	-----	1,00,000
Purchases and Sales	60,000	1,27,000
Returns	1,000	750
Opening Stock	30,000	-----
Discount	425	800
Debtors and Creditors	45,000	25,000
Salaries	7,550	-----
Wages	10,000	-----
Carriage outward	1,200	-----
Provision for bad debts	-----	525
Rent	10,000	-----
Advertisement	2,000	-----
Cash	6,900	-----
Total	2,54,075	2,54,075

Adjustments:

- a) Closing stock Rs.34,220
- b) Provision for bad debts is to be kept at Rs.500
- c) Allow interest on capital at 10% p.a
- d) Depreciate machinery by 10% and furniture by 5%
- e) Outstanding salary Rs.550

SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. What are the different types of accounts? Explain golden rules of accounts.
5. Explain limitations of accounting.
6. Differentiate between profit & loss account and balance sheet.
7. Explain branches of accounting.
8. Explain single entry system of bookkeeping.
9. Draw the two column cash book and record the following transactions assuming cheque received are paid into bank on same date.
 Jan 01 – Commenced business with cash Rs.22,600
 Jan 02 – Opened a current account and deposited Rs.16,000
 Jan 05 – Received cheque for Rs.15,000 for goods sold
 Jan 08 – Issued cheque for Rs.10,000 for furniture purchase
 Jan 09 – Purchased goods for Rs.3,000 and paid by cheque
 Jan 10 – Received a cheque for Rs.4,900 in settlement of Rs.5,000 from Ram
 Jan 12 – Paid into bank Rs.5,000

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Jan 15 – Paid Ranjan Rs.2,250 in settlement of Rs.2,500

Jan 18 – Drew a cheque for personal use Rs.500

Jan 20 – Paid wages in cash Rs.600

Jan 22 – Drew for office use Rs.2,500

Jan 25 – Paid salary by cheque Rs.1,500

Jan 30 – Paid in excess of Rs.1,000 to bank

10. From the following prepare a trial balance:

Particulars	Amount	Particulars	Amount
Drawings	2,000	Sales	68,000
General expenses	4,740	Purchases	40,000
Buildings	20,000	Bank overdraft	10,000
Stock	16,540	Capital	26,005
Wages	8,515		
Debtors	6,280		
Creditors	2,500		
Bad debts	550		
Loan to Ravi	7,880		

11. Enter the following transactions in proper subsidiary books:

Jan 2 – Sold goods to Sham, subject to a trade discount of 10% Rs.30,000

Jan 4 – Received a debit note from Sham in respect of overcharge in the bill Rs.2,000

Jan 5 – Sham returned damaged goods Rs.1,000

Jan 12 – Jayraman returned goods Rs.500

12. Journalize the following transactions in the books of Sameer:

June 1 – Started business with cash Rs.45,000

June 2 – Paid into bank 25,000

June 3 – Goods purchased from cash Rs.15,000

June 4 – Purchased furniture and paid by cheque Rs.5,000

June 5 – Sold goods for cash 8,500

June 8 – Sold goods to Arvind Rs.4,000

June 10 – Goods purchased from Amrit Rs.7,000

June 12 – Goods returned to Amrit 1,000

June 15 – Goods returned to Arvind 200

June 18 – Cash received from Arvind Rs.3,760 and allowed discount to him Rs.40

June 21 – Withdrew from bank for private use Rs.1,000

June 21 – Withdrew from bank for use in business Rs.5,000

June 25 – Paid telephone rent one year 400

June 28 – Cash paid to Amrit in full settlement of his account 5,940

June 30 – Paid for:

- Stationery – 200
- Rent – 1,000
- Salaries to staff – 2,500

13. Prepare a bank reconciliation statement from the following particulars:

a) Credit balance as per pass book on 31st March 2014, Rs.25,000

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 2014

c) Cheques amounting Rs.2,500 were drawn on 25th March 2014, out of which Cheques for Rs.1,500 were cashed upto 31st March 2014

d) A wrong debit of Rs.100 appears in the pass book

e) Bank charges Rs.25 appear in the 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 for Rs.150 received from a customer was entered in the cash book in March 2014 but the same was omitted to be paid in the bank



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SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. What is meant by business transaction?
15. What is trial balance?
16. What is meant by nominal account?
17. What is meant by current assets?
18. What is meant by drawings?
19. What is meant by petty cash book?
20. What is balance sheet?
21. What is meant by posting?
22. What is double entry system?
23. What is credit note?
24. How do you treat prepaid insurance in final accounts?
25. What is meant by journal?

