

Rajiv Gandhi University of Health Sciences, Karnataka

I Semester Bachelors in Hospital Administration Degree Examination – APRIL 2015

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

- What is meant by accounting principle? Explain different kinds of accounting concepts and conventions.
- Enter the following transactions in proper subsidiary books:
 Mar 01 – Bought from Ram Rs.2,000
 Mar 02 – Sold goods to Sharma Rs.1,000
 Mar 08 – Laxman bought goods from us Rs.700
 Mar 10 – Received goods returned by Sharma Rs.80
 Mar 12 – We returned goods to Ram Rs.50
 Mar 18 – Sold goods to Jain Rs.500
 Mar 22 – Purchased goods from Mohan Rs.600
 Mar 25 – Returned goods to Anand Rs.100
 Mar 30 – Sold goods to Swamy Rs.600
- From the following trial balance of ANZ Ltd. as on 31st March 2014, prepare final accounts.

Debit	Amt in Rs	Credit	Amt in Rs
Stock (1-4-2012)	1,500	Sales	78,000
Purchases	25,000	Capital	20,000
Debtors	6,000	Returns outwards	1,000
Drawings	5,000	Bills payable	4,000
Returns inwards	800	Creditors	6,600
Machinery	15,000	Provision for bad debts	1,400
Bills receivable	2,500		
Land and building	30,000		
Salaries and wages	12,000		
Trade expenses	7,000		
Rent	1,200		
Stationery	700		
Bad debts	300		
Furniture	3,500		
Cash balance	500		
	111,000		111,000

Adjustments:

- Closing stock as on 31st March 2014 is Rs.1,200
- Accrued expenses: Wages – Rs.400. Rent – Rs.50
- Provision for bad and doubtful debts at 15% on debtors
- Depreciate machinery at 10% and land and buildings at 8%

SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

- Explain advantages of accounting.
- Differentiate between journal and ledger.
- What is trading account? Explain its importance.
- Explain the errors identified by trial balance.
- Explain different system of book keeping.
- Journalise the following transactions:

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2014

 Jan 1st Rajini started business with a capital of Rs.50,000

 Jan 2nd She purchased furniture for Rs.5,000

 Jan 3rd She bought goods on credit from Vinod for Rs.8,000

 Jan 14th She sold goods to Suresh for Rs.5,000

 Jan 15th She received cash from Suresh Rs.3,000

 Jan 18th She purchased goods for Rs.12,000

 Jan 25th She sold goods for cash Rs.8,000

 Jan 28th She paid rent Rs.1,200

 Jan 31st She paid Vinod Rs.3,000 on account

10. Enter the following transactions. Prepare bank reconciliation statement as on 31.08.2014:

- Bank balance as per cash book Rs.8,000
- Cheques of Rs.1,000; 2,000 and 3,000 issued on 8th, 10th and 13th of August of these a cheque issued on 10th only was not presented for payment till 31st August
- Interest and dividend collected by the banker on 25th August and informed the customer on 1st September Rs.500
- Cheques of Rs.3,300 deposited into bank of which a cheque of Rs.2,300 only collected in August
- A cheque of Rs.2,000 received and debited in cash book but not sent to bank till 31st August
- The following entries found in pass book only:
 - i. Interest on bank balance Rs.250
 - ii. Electricity bill paid Rs.400
 - iii. Commission charged Rs.50

11. From the following information prepare a trial balance as on 31st March 2013

Capital	12,500	Sales	15,450
Furniture	640	Motor car	6,250
Buildings	7,500	Debtors	3,800
Creditors	2,500	Bad debts	125
Opening stock	3,460	Purchases	5,475
Bank (Cr)	2,850	Purchase returns	125
Commission (Cr)	375	Sales returns	200
Advertisement	250	Interest account (Dr)	118
Cash balance	650	Insurance and tax	1,250
Salaries	4,082		

12. Enter the following transactions in single column cash book:

July 1 – Balance of cash in hand Rs.15,000

July 8 – Purchased goods for cash from X for Rs.3,200

July 15 – Sold goods for cash Rs.4,800 to Y

July 20 – Received commission is Rs.650

July 21 – Paid commission Rs.550

July 28 – Paid to Satish on account Rs.7,150

July 31 – Paid salary to the office clerk Rs.1,000 and office rent Rs.600

13. Prepare the personal account of Mr. Ganesh from the following transactions: 2014

March 1 – Debit balance of Ganesh account Rs.8,100

March 2 – Bought of Ganesh Rs 1,400

March 5 – Goods worth Rs.2,300 sold to him

March 9 – Paid to him Rs.1,300

March 12 – Returned goods to him Rs.130

March 15 – Ganesh bought goods from us Rs.1,500

March 18 – He returned goods Rs.600

March 22 – Received a bearer cheque from Ganesh Rs.1,000

March 25 – Goods worth Rs.250 sent back to him

March 30 – Ganesh sold goods to us worth Rs.1,800



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SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. What is book keeping?
15. Who is a debtor?
16. What is meant by posting?
17. What is meant by assets?
18. What is ledger?
19. What is meant by insolvent?
20. Name the different types of accounts.
21. What is meant by overdraft?
22. How do you treat outstanding salaries in final accounts?
23. What is meant by debit note?
24. What is meant by statement of affairs?
25. What is meant by final accounts?

