



# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

## B.C.A DEGREE EXAMINATION – COMPUTER APPLICATION

FIRST SEMESTER – NOVEMBER 2015

### BC 1101 – BUSINESS ACCOUNTING

Date : 11/11/2015  
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

#### PART – A

Answer **ALL** the questions:

(10 x 2 = 20)

1. Describe the three kinds of Personal Accounts.
2. What is 'Current Liability'?
3. Journalise the following transactions:
  - a. Sold goods to Jane for cash Rs.3,000
  - b. Paid rent to Ramesh, the landlord Rs.500
4. What is 'Petty Cash Book'?
5. What is 'Gross Profit'?
6. What is 'Trial Balance'?
7. A machine was purchased for Rs.30,000 on 1.1.2014. This is expected to last for 5 years. Estimated scrap at the end of five years is Rs.5,000. Find out the rate of depreciation under the Straight-line method.
8. If an asset was purchased for Rs.50,000 on 1.1.2013, What would be its value after three years, if it was depreciated at 10% p.a by written down value method.
9. What is 'ROI'?
10. What is 'Acid test ratio'?

#### PART – B

Answer any **FOUR** questions:

(4 X 10 = 40)

11. Describe the advantage and limitations of Accounting.
12. Ram had the following transactions. Use accounting equation to show their effect on his assets, liabilities and capital
  - a) Ram started business with Rs. 1,00,000
  - b) Goods purchased for cash Rs. 13,000
  - c) Goods purchased on credit Rs. 12,000
  - d) Goods sold(Costing rs.10,000) for Rs.12,000
  - e) Furniture purchased on credit Rs.2,000
  - f) Cash paid to a creditor Rs.5,000
  - g) Rent outstanding Rs.1,000
13. Explain the causes of depreciation.
14. Sivam Printing Press purchased a printing machinery costing Rs.3,00,000 on 1.4.2001. After three years the machinery was sold for Rs.2,80,000. The firm charges depreciation @ 10% per annum on Diminishing Balance Method. Accounts are closed on 31st March every year. Prepare Machinery account and Depreciation account.
15. Distinguish between 'Trial Balance' and 'Balance Sheet'.

16. Record the following transactions in an analytical petty cash book of Mr.Senthil and balance the same. On 1st April 2003 the petty cashier started with an imprest of Rs. 1,500.

2003	Particulars	Rs.
April 1	Postage stamps purchased	50
3	Sweeper and scavenger paid	25
5	Conveyance to manager	457
6	Telegram to Mumbai	44
7	Stationery purchased	68
10	Lorry hire for goods sent	250
13	Cartage and coolie on goods bought	75
18	Repair to cycles	30
19	Service charges to Typewriters	75
22	Ink and Gum purchased	23
24	Advertisement charges	100
27	Subscription paid to The Hindu	125
28	Tea to customers	12

17. Surya Ltd. provides the following information for the year ending 31.3.05. Calculate Gross Profit ratio, Net profit ratio, Operating profit ratio and Operating ratio.

Particulars	Rs.	Particulars	Rs.
Sales	2,00,000	Gross Profit	80,000
Office Expenses	6,000	Selling Expenses	4,000
Finance expenses	3,000	Loss on sale of plant	400
Interest received	500	Net Profit	67,100

### PART – C

Answer any **TWO** questions:

(2 X 20 = 40)

18. From the Trading & Profit & Loss Account of Fashion World Ltd., ascertain the profitability ratios.

#### Trading and Profit & Loss Account for the year ending 31.3.04

Particulars	Rs.	Particulars	Rs.
To Opening Stock	20,000	By Sales	1,60,000
To Purchases	1,20,000	By Closing Stock	32,000
To Gross Profit (transferred to profit & loss A/c)	52,000		
	1,92,000		1,92,000
To Administration expenses	12,000	By Gross Profit	52,000
To Selling expenses	8,000	By Dividend	400
To Finance expenses	4,000		
To Loss on sale of furniture	500		
To Net Profit	27,900		
	52,400		52,400

19. Enter the following transactions in the Triple Column Cash Book of Mr.Raja Durai.

2002	Particulars	Rs.
May 1	Cash balance	6,000
1	Bank balance	4,000
2	Withdrew from Bank	2,000
3	Abdulla directly paid into our bank account	3,000
4	Cheque received from Daniel Rs.5,000 sent to bank.	
7	Cheque received from Ramakrishnan for sales	8,000
8	Received cash from Subramaniyam	2,800
	Discount allowed	200
10	Ramakrishnan's cheque sent to bank for collection.	
14	Paid to Balu by cheque	13,900
	Discount received	100
17	Withdrew cash for personal use Rs.1,500 and by cheque	12,500
27	Rent paid	2,000

20. From the Trial Balance of Mr.Raghuraman as on 31st March, 2003 prepare Final accounts.

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		3,60,000
Drawings	6,400	
Stock (1.4.2002)	18,000	
Purchases	1,29,000	
Sales		2,38,000
Sales Returns	4,000	
Wages	32,000	
Insurance Premium	3,000	
Packing Expenses	4,000	
Postage	200	
Advertisement	2,000	
Carriage outwards	16,000	
Bad debts	600	
Commission received		1,000
Bills Payable		18,000
Bank overdraft		6,000
Land & Buildings	2,61,000	
Plant & Machinery	1,80,000	
Sundry Debtors	50,800	
Sundry Creditors		84,000
	7,07,000	7,07,000

**Adjustments:**

1. Closing Stock on 31.03.2003, Rs.15,000.
2. Write off bad debts Rs.800 and make provision for Bad & doubtful debts @ 5% on Sundry debtors.
3. Commission accrued but not received Rs.2,000.

21. Describe the 'Internal' and 'External' users of Accounting Information and their requirements.

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