



# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

FIRST SEMESTER – NOVEMBER 2016

### BC 1101 - BUSINESS ACCOUNTING

Date: 09-11-2016  
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

#### PART – A

Answer **ALL** the questions:

(10 x 2 = 20)

1. State the rules for debiting and crediting.
2. What is 'Current Asset'?
3. What are Subsidiary books?
4. What is 'Obsolescence'?
5. Journalise the following transactions:
  - a. Purchased goods from James for cash Rs.30,000
  - b. Paid salary Rs.5,000
6. What is 'Trial Balance'?
7. What are the objectives of Ratio Analysis?
8. From the following particulars, find out the rate of depreciation, under Straight Line Method.  
Cost of Fixed Asset Rs. 50,000  
Residual Value Rs. 5,000  
Estimated Life 10 years
9. What do you mean by Closing Stock?
10. What is 'Acid test ratio'?

#### PART – B

Answer any **FOUR** questions:

(4 X 10 = 40)

11. What are merits and demerits of written down value method?
12. Show the Accounting Equation on the basis of the following transactions

S.No	Particulars	Rs.
1.	Sivaraj commenced business with cash	1,00,000
2.	Purchased goods for cash	70,000
3.	Purchased goods on credit	80,000
4.	Purchased furniture for cash	3,000
5.	Paid rent	2,000
6.	Sold goods for cash costing (Rs.45,000)	60,000
7.	Paid to creditors	20,000
8.	Withdrew cash for private use	10,000
9.	Paid salaries	5,000
10.	Sold goods on credit (cost price Rs.60,000)	80,000

13. Describe the advantage and limitations of Accounting.
14. Explain the causes of depreciation.
15. Distinguish between 'Trial Balance' and 'Balance Sheet'.
16. A firm bought a machinery on 1.1.2002 for Rs.5,00,000. On 31.12.2003 the machinery was sold for Rs.3,90,000. The firm charges depreciation at the rate of 10% per annum on Diminishing Balance Method. The books are closed on 31<sup>st</sup> March every year. Prepare Machinery account and Depreciation account.
17. Record the following transactions in an analytical petty cash book of Mr.Senthil and balance the same. On 1st Dec 2013 the petty cashier started with an imprest of Rs. 1,500.

2013	particulars given below:	Rs.
Dec. 1	Balance on hand	25
1	Received cheque to make the imprest	975
2	Paid for postage	40
4	Paid for stationery	225
6	Paid for wages	140
8	Paid for carriage	130
10	Paid for travelling expenses	150
11	Paid for telegrams expenses	50
12	Coffee to office staff	45
19	Taxi hire	150

### PART – C

Answer any **TWO** questions:

(2 X 20 = 40)

18. Describe the 'Internal' and 'External' users of Accounting Information and their requirements
19. Enter the following transactions in the Triple Column Cash Book of Mr.Dharmadurai.

2015	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. Prepare Trading and Profit and loss Account for the year ended 31.03.2013 and Balance Sheet as on that date after giving effect to the above adjustments.

Particulars	Debit Rs.	Credit Rs.
Machinery	40,000	
Cash at Bank	10,000	
Cash in Hand	5,000	
Wages	10,000	
Purchases	80,000	
Stock (01.04.2012)	60,000	
Sundry debtors	40,000	
Bills Receivable	29,000	
Rent	4,000	
Interest on Bank Loan	500	
Commission received		3,000
General Expenses	12,000	
Salaries	7,500	
Discount received		4,000
Capital		90,000
Sales		1,20,000
Bank Loan		40,000
Sundry Creditors		40,000
Purchase returns		5,000
Sales returns	4,000	
	3,02,000	3,02,000

**Adjustments:**

1. Closing Stock Rs.80,000
2. Interest on Bank loan not yet paid Rs.400
3. Commission received in advance Rs.1,000

21. From the following details calculate

1. Gross Profit Ratio
2. Net Profit Ratio
3. Stock Turnover Ratio
4. Debtors Turnover Ratio

Particulars	Rs.
Sales	3,00,000
Cost of Goods Sold	2,40,000
Opening Stock	58,000
Closing Stock	62,000
Debtors	30,000
Administration Expenses	30,000

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