



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

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

**FIRST SEMESTER – NOVEMBER 2014**

**BC 1101 - BUSINESS ACCOUNTING**

Date : 01/11/2014  
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

**PART –A**

**ANSWER ALL THE QUESTION:**

**(10 \* 2 = 20)**

1. Write the Golden Rules of Accounting.
2. Define Journal.
3. What do you mean by Narration?
4. Give Journal Entry for the following :  
Amutha started her business with Building – ` .20,000: Land – ` .30,000  
Cash – ` .20,000: Stock – ` .8,000
5. What is Ledger?
6. What do you mean by Subsidiary Books?
7. What is an adjusting entry?
8. Define Depreciation.
9. A company purchased machinery for ` . 1,00,000 and installation charges were ` .10,000. Its estimated life is 5 years and it's scrap value ` .5,000. Calculate its rate of depreciation.
10. What do you mean by Ratio analysis?

**PART –B**

**ANSWER ANY FOUR QUESTIONS:**

**(4 \* 10 =40)**

11. Explain various types of Subsidiary books.
12. Explain the Needs as well as causes for depreciation.
13. What are the advantages of Ratio analysis?
14. Journalise the following transactions of Mr.Balan& co.

Date	Particulars	` .
1/4/98	Balan started the business with cash	2,00,000
3/4/98	Paid in to Bank	50,000
4/4/98	Purchased building	70,000
7/4/98	Purchased goods	50,000
10/4/98	Sold goods	60,000
15/4/98	Withdrew from Bank	10,000
25/4/98	Paid Electricity charges	800
30/4/98	Paid Salary	1,500

15. Enter the following in Proper Subsidiary Books.

1/March/1995	Bought goods from Amar	2,000
2/March/1995	Sold goods to Babu	1,000
3/March/1995	Charles sold goods to us	1,000
8/March/1995	Raman bought goods from us	3,000
10/March/1995	Goods returned by Babu	400
12/March/1995	We returned goods to Amar	250
18/March/1995	Sold goods to Madavan	5,000
22/March/1995	Purchased goods from Anwar	6,000
25/March/1995	Returned goods to Charles	500
30/March/1995	Sold goods to Mani	6,000

16. A company purchased a machinery for ` . 50,000 on 1<sup>st</sup> April 2005 It is depreciated at 10% per annum on Written down value Method. The accounting year ends at 31<sup>st</sup> March every year. Prepare Machinery account for three years.

17. From the following calculate (i) Gross Profit Ratio  
(ii) Net profit Ratio (iii) Stock Turnover Ratio (iv) Debtors turnover ratio.

Sales	1,50,000
Opening Stock	29,000
Cost of goods sold	1,20,000
Closing Stock	31,000
Debtors	15,000
Net profit	15,000

#### PART –C

ANSWER ANY TWO QUESTIONS:

(2 \* 20 = 40)

18. a. Explain in detail about various classifications of Ratios.

b. Who are the parties interested in Accounting information?

19. Enter the following Transactions in Three column cash Book.

1998/Jan/1	Cash in Hand	150
1998/Jan/1	Cash at Bank (cr)	1,378
1998/Jan/3	Sold goods to Uma and discount allowed to her 1%	7,500
1998/Jan/4	Paid for tax	130
1998/Jan/6	Bought goods from Mani and discount allowed by him 2%, and payment made by Cheque	1200
1998/Jan/10	Received for Commission	2,400
1998/Jan/12	Paid in to Bank	1,400
1998/Jan/15	Paid to Amuthan half by cash and half by cheque	700
1998/Jan/16	Bank Charges as per Pass Book	25
1998/Jan/17	Stationery Purchased	125
1998/Jan/19	Sold goods for cash and the same was paid in to bank	5,400
1998/Jan/20	Sold goods to Sujan and paid by Cheque	250
1998/Jan/25	Paid Salaries by cheque	3,000
1998/Jan/30	Paid in to Bank	6,000

20. From the following trial balance as on 31<sup>st</sup> March 2003, Prepare Final Accounts.

Particulars	Debit	Credit
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 outward	16,000	
Bad debts	600	
Commission Received		1,000
Bills Payable		18,000
Bank overdraft		6,000
Land & Building	2,61,000	
Plant & Machinery	1,80,000	
Sundry Debtors	50800	
Sundry creditors		84000
	7,07,000	7,07,000

Adjustments:

- (i) Closing Stock on 31.3.2003 ` . 15,000
- (ii) Commission outstanding ` .2,000
- (iii) Insurance Premium Prepaid ` . 500
- (iv) Depreciate Land & building by 5% , and Plant & Machinery by 10%

21. The following is the summarized Trading and Profit & loss as well as Balance sheet on 31.3.2005

Particulars	RS	Particulars	Rs
To Opening Stock	10,000	By Sales	1,00,000
To Purchases	50,000	By Closing Stock	15,000
To Direct Expenses	5,000		
To Gross Profit c/d	50,000		
	1,15,000		1,15,000
To Administrative Expenses	15,000	By Gross Profit b/d	50,000
To Interest	3,000		
To Selling Expenses	12,000		
To Net Profit	20,000		
	50,000		50,000

Balance Sheet as on 31.3.2005

Liabilities	Amount	Assets	Amount
Capital	1,00,000	Land & Building	50,000
Creditors	20,000	Plant & Machinery	30,000
B/P	10,000	Furniture	20,000
Bank O/D	10,000	Stock	15,000
Profit & Loss a/c	20,000	Sundry Debtors	15,000
		B/R	12,500
		Cash in Hand	17,500
	1,60,000		1,60,000

From the above calculate,

- (i) Gross Profit ratio
- (ii) Net profit Ratio
- (iii) Current Ratio
- (iv) Acid Test Ratio
- (v) Stock turnover Ratio
- (vi) Fixed Assets turnover Ratio
- (vii) Debtor's turnover Ratio.

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