



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.C.A. DEGREE EXAMINATION – COMPUTER APPLICATIONS

FIRST SEMESTER – APRIL 2018

BC 1101- BUSINESS ACCOUNTING

Date: 30-04-2018
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART – A

Answer **ALL** the questions:

(10 x 2 = 20)

1. What is 'Current Assets'?
2. State the rules for debiting and crediting.
3. What is 'Drawings'?
4. What are Subsidiary books?
5. Journalise the following transactions:
 - a. Paid Alan, the director his Commission of Rs.20,000.
 - b. Paid Rent of Rs. 200.
6. What is 'Trial Balance'?
7. What is Sinking fund?
8. What do you mean by Closing Stock?
9. What is 'Acid test ratio'?
10. A company purchased machinery for Rs. 10,00,000 and installation charges were Rs.1,00,000. Its estimated life is 5 years and its scrap value Rs. 50,000. Calculate its rate of depreciation.

PART – B

Answer any **FOUR** questions:

(4 X 10 = 40)

11. Differentiate between Book-keeping and Accounting
12. Ramji had the following transactions. Use accounting equation to show their effect on his assets, liabilities and capital
 - a) Ramji 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. The following balances are extracted from the books of Mr.Senthil. Prepare Trial Balance as on 30.06.2017.

Particulars	Rs.	Particulars	Rs.
Capital	4,70,200	Machinery	1,58,800
Cash in hand	6,000	Sundry Debtors	48,000
Building	3,20,000	Repairs	5,400
Stock	33,000	Insurance premium	3,300
Sundry creditors	26,000	Sales	2,90,000
Commission paid	750	Telephone charges	6,450
Rent & Taxes	6,300	Furniture	11,000
Purchases	1,65,000	Discount earned	1,100
Salaries	70,600	Loan from Mohammed	51,000
Discount allowed	650	Reserve fund	5,900
Drawings	5,000	Bills receivable	8,600
Bad debts	1,350	Bills payable	6,000

14. Explain briefly the need for providing Depreciation.

15. A firm bought a machinery on 1.1.2016 for Rs.5,00,000. On 31.12.2017 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 31st March every year. Prepare Machinery account and Depreciation account.

16. Enter the following transactions in a single column cash book of Mr.Murugavel.

2018 Jan 1	Started business with cash	Rs. 1,000
3	Purchased goods for cash	Rs. 500
4	Sold goods	Rs. 1,700
5	Cash received from Siva	Rs. 200
12	Paid Balan	Rs. 150
14	Bought furniture	Rs. 200
15	Purchased goods from Kala on credit	Rs. 2,000
20	Paid electric charges	Rs. 225
24	Paid salaries	Rs. 250
28	Received commission	Rs. 75

17. Prepare Profit and Loss Account, from the following balances of Mr. Sandan for the year ending 31.12.2017.

Particulars	Amount	Particulars	Amount
Office rent	Rs. 30,000	Salaries	Rs. 80,000
Printing expenses	Rs. 2,000	Stationeries	Rs. 3,000
Tax & Insurance	Rs. 4,000	Discount allowed	Rs. 6,000
Advertisement	Rs. 36,000	Travelling expenses	Rs. 26,000
Gross Profit	Rs.2,50,000	Discount received	Rs. 4,000

PART – C

Answer any **TWO** questions:

(2 X 20 = 40)

18. Describe the Various Stakeholders of Accounting Information and their requirements.

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

Trading and Profit & Loss Account for the year ending 31.3.17

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

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

2017	Particulars	Rs.
May 01	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
8	Discount allowed	200
10	Ramakrishnan's cheque sent to bank for collection.	
14	Paid to Balu by cheque	13,900
14	Discount received	100
17	Withdrew cash for personal use Rs.1,500 and by cheque 12,500	
27	Rent paid	2,000

21. The following are the balances extracted from the books of Mrs.Suguna as on 31st March, 2017.

Debit Balances	Rs.	Credit Balances	Rs.
Drawings	40,000	Capital	2,00,000
Cash at Bank	17,000	Sales	1,60,000
Cash in hand	60,000	Sundry Creditors	45,000
Wages	10,000		
Purchases	20,000		
Stock (31.03.16)	60,000		
Buildings	1,00,000		
Sundry debtors	44,000		
Bills Receivable	29,000		
Rent	4,500		
Commission	2,500		
General Expenses	8,000		
Furniture	5,000		
Suspense Account	5,000		
	4,05,000		4,05,000

Adjustments:

1. Closing Stock Rs.40,000 valued as on 31.03.17.
2. Interest on Capital at 6% to be provided.
3. Interest on Drawings at 5% to be provided.
4. Depreciate buildings at the rate of 10% per annum.
5. Write off Bad debts Rs.1,000.
6. Wages yet to be paid Rs.500.

\$\$\$\$\$\$\$\$\$\$