



QP – 373

**I Semester B.B.A. Examination, March/April 2022
(CBCS) (2020-21 and Onwards) (Repeaters)**

AVIATION MANAGEMENT

Paper – 1.4 : Principles of Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written in **English** only.

SECTION – A

1. Answer **any 5** sub-questions. **Each** answer carries **2** marks.

(5×2=10)

- What do you mean by accounting concepts ?
- Give the meaning of depreciation.
- What is meant by Balance Sheet ?
- What do you mean by Debit Note ?
- What do you mean by non-trading concern ?
- What do you mean by error of commission ?
- What is GAAP ?

SECTION – B

Answer **any 3** questions. **Each** answer carries **6** marks.

(3×6=18)

- Explain the Golden Rules of Accounting.
- Classify the following into Personal, Real and Nominal Account :

- Prepaid Insurance A/c
- Bank A/c
- Saraswathi A/c
- BCCI A/c
- Furniture A/c
- Stationery A/c.

4. Enter the following transactions in simple cash book.

2022

Feb.

- | | |
|------------------|--|
| 1 st | Commenced business with Rs. 70,000 |
| 5 th | Paid in to bank Rs. 50,000 |
| 8 th | Purchased goods Rs. 8,000 for cash |
| 11 th | Sold goods for cash Rs. 14,000 |
| 18 th | Received cash from Manjunath Rs. 1,500 |
| 23 rd | Drew for personal use Rs. 5,000 |
| 25 th | Paid to Mr. Gajendra Rs. 4,000 |
| 28 th | Sent to Sunil money order of Rs. 2,800 |

5. List the salient features of Receipts and Payments Account.

P.T.O.



6. From the following balances extracted from the books of a trader, prepare Trial Balance as on 31st March, 2021.

| | Rs. |
|-----------------|----------|
| Capital | 2,00,000 |
| Sales | 3,70,000 |
| Purchases | 1,70,000 |
| Creditors | 50,000 |
| Debtors | 1,00,000 |
| Building | 2,50,000 |
| Opening stock | 50,000 |
| Cash at Bank | 50,000 |
| Commission paid | 11,000 |
| Rent received | 15,000 |
| Drawings | 4,000 |

SECTION - C

(3×14=42)

Answer any 3 questions. Each answer carries 14 marks.

7. Journalize the following transactions in the books of Mr. Sudhir.

2021

January

- 1 Mr. Sudhir commenced business with
Cash in hand Rs. 70,000
Cash at bank Rs. 2,00,000
- 5 Paid in to bank Rs. 60,000
- 7 Brought goods from Prashanth Rs. 50,000
- 12 Sold goods to Raman Rs. 90,000
- 15 Drew for office use Rs. 12,000
- 20 Bought office furniture Rs. 15,000
- 22 Paid rent Rs. 3,500
- 23 Paid salaries Rs. 20,000
- 25 Paid electricity Rs. 1,500
- 27 Returned goods to Prashanth Rs. 1,000
- 28 Raman returned goods Rs. 1,500
- 30 Bank charges Rs. 500
- 31 Bank allowed interest on deposit Rs. 600.

8. Enter the following transactions in a three columnar cash book.

2021

Jan.

- 1 Business started with cash Rs. 45,000
- 2 Deposited in bank Rs. 35,000



- 4 Purchased machinery by cheque Rs. 25,000
- 10 Purchased furniture by cheque Rs. 5,000
- 15 Purchased goods paid by cheque Rs. 4,000
- 18 Withdrawn cash from bank Rs. 500
- 20 Sold goods Rs. 6,000
- 22 Deposited in to bank Rs. 10,000
- 25 Bought goods Rs. 5,000
- 26 Sold goods and received cheque Rs. 7,500
- 27 Paid insurance by cheque Rs. 500
- 28 Paid transport Rs. 250
- 30 Withdraw for personal use by cheque Rs. 2,500
- 31 Paid Amitabh by cheque Rs. 5,400 in full settlement of his account Rs. 5,500
- 31 Received from Subhas a cheque Rs. 7,400 in full settlement of Rs. 7,550.

9. Enter the following transaction in the simple petty cash book

2021

Jan.

- 1st Received a cheque for Rs. 1,000 to open the book
- 5th Bought postage stamps Rs. 50
- 8th Paid for stationery Rs. 18
- 10th Sent a telegram Rs. 70
- 12th Paid for cartage Rs. 50
- 14th Paid tiffin charges for customers Rs. 130
- 20th Balance due to Bindu paid Rs. 60
- 25th Paid auto charges Rs. 70
- 28th Paid coolie Rs. 90
- 29th Purchased paper clips Rs. 40
- 31st Paid electricity charges Rs. 80

10. The following trial balance was extracted from the books of Mr. Pradeep as on 31st March 2021.

| Particulars | Debit | Credit |
|---------------------|--------|----------|
| Capital accounts | — | 1,00,000 |
| Plant and Machinery | 78,000 | — |
| Furniture | 2,000 | — |
| Sales | — | 1,27,000 |
| Purchases | 80,000 | — |
| Returns | 1,000 | 750 |
| Opening stock | 30,000 | — |
| Discount | 425 | 800 |



| | | |
|-----------------------|-----------------|-----------------|
| Debtors and creditors | 45,000 | 25,000 |
| Salaries | 7,550 | — |
| Wages | 10,000 | — |
| Carriage outwards | 1,200 | — |
| Rent | 10,000 | — |
| Advertisement | 2,000 | — |
| Cash | 6,900 | — |
| B/P | — | 20,525 |
| | 2,74,075 | 2,74,075 |

Prepare Trading A/c, P and L account for the year ended 31st March 2021 and also the Balance Sheet as on that date after taking into account the following adjustments :

- Closing stock was valued at Rs. 34,220
- Allow interest on capital at 10% p.a.
- Depreciate plant and machinery by 10% and furniture by 6%
- Outstanding salary Rs. 550 and prepaid rent Rs. 1,000.

11. The Receipt and Payment Account of Harimohan Charitable Institution is given :

| Receipt and Payment Account for the year ending March 31, 2021 | | | |
|--|-----------------|----------------------|-----------------|
| Receipts | Amount Rs. | Payments | Amount Rs. |
| Balance b/d : | | Furniture | 3,000 |
| Cash at bank | 22,000 | Investments | 55,000 |
| Cash in hand | 8,800 | Advance for building | 20,000 |
| Donations | 32,000 | Charities | 60,000 |
| Subscriptions | 50,200 | Salaries | 10,400 |
| Endowment fund | 60,000 | Rent and Taxes | 4,000 |
| Legacies | 24,000 | Printing | 1,000 |
| Interest on investment | 3,800 | Postage | 300 |
| Interest on deposits | 800 | Advertisements | 1,100 |
| Sale of old newspapers | 500 | Insurance | 4,800 |
| | | Balance c/d : | |
| | | Cash at bank | 32,000 |
| | | Cash in hand | 10,500 |
| | 2,02,100 | | 2,02,100 |

Prepare the Income and Expenditure Account for the year ended on March 31, 2021 after considering the following :

- It was decided to treat fifty per cent of the amount received on account of legacies and donations as income.
- Liabilities to be provided for are :
Rent Rs. 800; Salaries Rs. 1,200; Advertisement Rs. 200.
- Rs. 2,000 due for interest on investment was not actually received.