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)**
   a) What do you mean by accounting concepts ?
   b) Give the meaning of depreciation.
   c) What is meant by Balance Sheet ?
   d) What do you mean by Debit Note ?
   e) What do you mean by non-trading concern ?
   f) What do you mean by error of commission ?
   g) What is GAAP ?

SECTION – B

Answer **any 3** questions. **Each** answer carries **6** marks.   **(3×6=18)**

2. Explain the Golden Rules of Accounting.

3. Classify the following into Personal, Real and Nominal Account :
   a) Prepaid Insurance A/c
   b) Bank A/c
   c) Saraswathi A/c
   d) BCCI A/c
   e) Furniture A/c
   f) Stationery A/c.

4. Enter the following transactions in simple cash book.
   2022
   Feb.

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

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

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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 :

a) Closing stock was valued at Rs. 34,220
b) Allow interest on capital at 10% p.a.
c) Depreciate plant and machinery by 10% and furniture by 6%
d) 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 :
i) It was decided to treat fifty per cent of the amount received on account of legacies and donations as income.
ii) Liabilities to be provided for are :
Rent Rs. 800; Salaries Rs. 1,200; Advertisement Rs. 200.
iii) Rs. 2,000 due for interest on investment was not actually received.