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| **B.Com** | **Semester: I** | **Credits: 4** |
| **Course: 1A** | **FUNDAMENTALS OF ACCOUNTING** | **Hrs/Wk: 5** |

#### Learning Outcomes:

At the end of the course*,* the student will able to

* + Identify transactions and events that need to be recorded in the books of accounts.
  + Equip with the knowledge of accounting process and preparation of final accounts of sole trader.
  + Develop the skill of recording financial transactions and preparation of reports in accordance with GAAP.
  + Analyze the difference between cash book and pass book in terms of balance and make reconciliation.
  + Critically examine the balance sheets of a sole trader for different accounting periods.
  + Design new accounting formulas & principles for business organisations.

#### UNIT I:

**Introduction :**Need for Accounting – Definition – Objectives, – Accounting Concepts and Conventions – GAAP - Accounting Cycle - Classification of Accounts and its Rules – BookKeeping and Accounting - Double Entry Book-Keeping - Journalizing - Posting to Ledgers, Balancing of Ledger Accounts (including Problems).

#### UNIT II:

S**ubsidiary Books:** Types of Subsidiary Books - Cash Book, Three-column Cash Book- Petty Cash Book (including Problems).

#### UNIT III:

**Trial Balance and Rectification of Errors:** Preparation of Trial balance - Errors – Meaning – Types of Errors – Rectification of Errors – Suspense Account (including Problems)

#### UNIT IV:

**Bank Reconciliation Statement:**Need for Bank Reconciliation - Reasons for Difference between Cash Book and Pass Book Balances- Preparation of Bank Reconciliation Statement - Problems on both Favourable and Unfavourable Balance (including Problems).

#### UNIT V:

**Final Accounts:** Preparation of Final Accounts: Trading account – Profit and Loss account – Balance Sheet – Final Accounts with Adjustments (including Problems).

## MODEL QUESTION COURSE – THEORY B.Com. DEGREE EXAMINATIONS

**Semester: I**

## Course(1A): Fundamentals of Accounting

Time: 3 Hours. Max Marks: 75

#### Section-A

Answer any **FIVE** of the following questions. **5X5=25M**

* 1. Bookkeeping.
  2. Petty Cash Book.
  3. Suspense Account.
  4. Need for Bank Reconciliation.
  5. Trading Account.
  6. Accounting Cycle.
  7. Journal Proper.
  8. Trial Balance .

#### Section-B

Answer **FIVE** questions **5X10=50M**

* 1. a). What are the advantages and limitations of Double Entry System?

(OR)

b). Briefly explain accounting concepts and conventions.

* 1. a) Explain various types of subsidiary books.

(OR)

* 1. Prepare Triple Column Cash Book from the following information of Koushik. 1st March 2020
     1. Cash in hand Rs.1532 and balance at bank Rs.18500.
     2. Received from Salman Rs.590 and allowed him discount Rs.10.
     3. Paid salaries for the month of February Rs.200.
     4. Purchased merchandise payment made by cheque Rs.3200.

**8.** Paid Bilal & Co by cheque Rs.800 discount received Rs.20.

1. Withdrew from bank for office use Rs.400. paid rent in cash Rs.300.
2. Deposited into bank Rs.500.
3. Cash sales Rs.2460.

**18**. Purchased a motor car for Rs.6500 payment made by cheque.

**23**. Received a cheque from Salman for Rs.391 discount Rs.9.

**25**. Paid wages Rs.350.

1. Salman cheque paid into bank.
2. Paid computer applications expenses Rs.360.

**31**. Bank informed that Salman’s cheque has been dishonored.

**31.** Cash sales Rs.6440.

1. a) Briefly explain the advantages and limitations of trial balance

(OR)

b ).Define Error. Briefly explain various types of erros.

1. a) Write the reasons for difference between pass book and cash book for bank reconciliation.

(OR)

* 1. From the following particulars, prepare a Bank Reconciliation Statement for M/s Ramesh Traders as at 31st December, 2020.
     1. Bank Balance as per cash book 8,000
     2. Two cheques were issued for 18,000 and 12,000 respectively, of which the cheque for 12,000 was presented on 4rd January next year.
     3. Cheque for 6,000 deposited on 25th was collected and credited by the bank on 4th January.
     4. Dividends collected by the bank 1,800 not recorded in the cash book.
     5. Information relating to 4,600 deposit made by a debtor directly into the bank account has not yet been received.
     6. Bank charges 750 have been debited to the account by the bank on 31st December.

1. a) Distinguish between Profit and Loss Account and Balance Sheet.

(OR)

1. From the following Trial Balance of Ramesh as on 31st March 2020, prepare Trading and Profit and Loss account and Balance sheet taking into account the adjustments.

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| --- | --- |
| **Trial Balance** | |
| **Debit Balances Rs.** | **Credit Balances Rs.** |
| Purchases 2,00,000 | Capital 3,00,000 |
| Salaries 10,000 | Sales 2,50,000 |
| Rent 7,500 | Creditors1,05,000 |
| Insurance premium 1,500 |  |
| Drawings 50,000 |  |
| Machinery 1,40,000 |  |
| Cash at bank 22,500 |  |
| Computers 1,25,000 |  |
| 3Furniture 50,000 |  |
| Cash 10,000 |  |
| Opening Stock 26,000 |  |
| Sundry debtors 12,500 |  |

#### Adjustments:

* 1. Closing stock as on 31.3.2015 Rs. 39,000
  2. Rent outstanding Rs. 1,000
  3. Provide interest on capital @ 10% and on Drawings @ 8%.
  4. Depreciation on Machinery @10% and Furniture @ 5%