

**Rajiv Gandhi University of Health Sciences, Karnataka**  
**I semester Bachelors in Hospital Administration Degree Examination – 29-Oct-2025**

**Time: Three Hours**

**Max. Marks: 80 Marks**

**FUNDAMENTALS OF ACCOUNTING - (RS)**

**Q.P. CODE: 3231**

**(QP contains two pages)**

Your answers should be specific to the questions asked

Draw neat, labeled diagrams wherever necessary

**LONG ESSAYS (Answer any Two)**

**2 x 10 = 20 Marks**

1. What is Accounting system? Explain in detail its nature and process
2. What is trial balance? Explain the types of errors occurred by trial balance
3. From the following particulars of Mrs. Raman & Co., you are required to prepare Trading, profit and loss account and balance sheet for the year ended 31<sup>st</sup> Dec 2020

|                          | Rs.    |                                    | Rs.    |
|--------------------------|--------|------------------------------------|--------|
| Sales                    | 65,000 | Discount allowed                   | 100    |
| Sales returns            | 500    | Discount received                  | 500    |
| Stock at the beginning   | 8,000  | Salaries                           | 3,000  |
| Purchases                | 29,000 | Interest paid                      | 400    |
| Purchases return         | 300    | Furniture                          | 3,000  |
| Direct wages             | 5,000  | Buildings                          | 20,000 |
| Direct expenses          | 5,000  | Plant and machinery                | 20,000 |
| Carriage inwards         | 4,000  | Cash in hand                       | 1,000  |
| Capital at the beginning | 30,000 | Bills payable                      | 6,200  |
| Drawings                 | 5,000  | Reserve for bad and doubtful debts | 500    |
| Sundry debtors           | 10,000 | Bad debts                          | 300    |
| Sundry creditors         | 12,000 |                                    |        |

Additional Information:

- a. Closing stock at the end Rs.8,000
- b. Outstanding salaries Rs.500
- c. Interest on capital at 10% P.A
- d. Depreciation on plant and machinery at 10% p.a and building at 5% p.a
- e. Prepaid of interest Rs.100
- f. Provision for bad and doubtful debts at 10% on debtors

**SHORT ESSAYS (Answer any Eight)**

**8 x 5 = 40 Marks**

4. The bank pass book of Mr. Anil showed an overdraft of rs.6,000 on 31-12-2013. Prepare the bank reconciliation statement based on the following details:
  - a) Cheques issued but not presented upto 31-12-2013, Rs.5,500
  - b) Cheques deposited but not credited upto 31-12-2013, Rs.9,000
  - c) Bank commission Rs.30 was entered only in the pass book
  - d) A cheque for Rs.6,500 issued in settlement of a debt was encashed on 28-12-2013 but entered in the cash book as Rs.8,500
5. Distinguish between journal and ledger
6. What is trading account? Explain its importance
7. Explain the procedure for preparing bank reconciliation statement
8. Explain the different systems of accounting

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9. Briefly explain the merits and demerits of double entry system of accounting
10. What is meant by GAAP? What are its essential requirements?
11. Enter the following transactions in the two column cash books

|        |   |
|--------|---|
| Jan 1  | Rajan started business with cash Rs.20,000                  |
| Jan 5  | He pays for goods purchased Rs.5,000                        |
| Jan 8  | Furniture purchased Rs.2,000                                |
| Jan 8  | Rent paid Rs.500  |
| Jan 10 | Sells goods for cash Rs.2,200                               |
| Jan 18 | Sells goods on credit for three days to Usha Rs.1,050       |
| Jan 20 | Wages paid Rs.350   |
| Jan 21 | Received cash from Usha in full settlement of debt RS.1,000 |
| Jan 27 | Goods sold on cash basis Rs.500                             |

12. The following balances appear in various accounts on 31-12-2020. You are asked to prepare a trial balance:

|                  | Rs.      |                            | Rs.    |
|------------------|----------|----------------------------|--------|
| Capital          | 4,20,000 | Sundry creditors           | 68,000 |
| Cash in hand     | 25,000   | Furniture                  | 11,000 |
| Building         | 1,15,000 | Rent                       | 48,000 |
| Cash at bank     | 84,700   | Car                        | 68,000 |
| Machinery        | 60,000   | Opening stock              | 86,000 |
| Purchases        | 94,000   | Commission                 | 1,400  |
| Bad debts        | 3,200    | Rates and taxes            | 2,600  |
| Sales            | 1,96,000 | General expenses           | 800    |
| Insurance        | 2,400    | Sundry debtors             | 16,200 |
| Salaries         | 94,000   | Reserve for doubtful debts | 7,300  |
| Closing stock    | 12,000   | Interest received          | 5,000  |
| Unearned revenue | 16,000   |                            |        |

13. Discuss the different types of accounts and enumerate the rule of debit and credit in detail

## SHORT ANSWERS (Answer any ten)

**10 x 2 = 20 Marks**

14. What is Accounting equation?
15. What is Asset and Liability?
16. What is Petty cash book?
17. What is Subsidiary book?
18. What is Voucher?
19. What is Personal account?
20. What is the reason for difference in BRS?
21. What is opening and closing statement of affairs?
22. What are the different types of accounts?
23. What is the step for balancing the ledger account?
24. What is Trading account?
25. What is Profit and Loss account?

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