

**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

	<b>Rs.</b>		<b>Rs.</b>
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:

	<b>Rs.</b>		<b>Rs.</b>
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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