

**Rajiv Gandhi University of Health Sciences, Karnataka**  
**I semester Bachelors in Hospital Administration Degree Examination – 27-Nov-2023**

**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. Define Accounting. What is accounting equation and who are the users of accounting information?
2. From the following particulars, prepare a bank reconciliation statement for M/s. Square traders as at 31<sup>st</sup> December 2020
  - a) Bank balance as per cash book 8,000
  - b) Two cheques were issued for 18,000 and 12,000 respectively, of which the cheque for 12,000 was presented on 3<sup>rd</sup> January next year
  - c) Cheque for 6,000 deposited on 26<sup>th</sup> was collected and credited by the bank on 4<sup>th</sup> Jan
  - d) Dividends collected by the bank 1,800 not recorded in the cash book
  - e) Information relating to 4,500 deposit made by a debtor directly into the bank account has not yet been received
  - f) Bank charges 750 have been debited to the account by the bank on 31<sup>st</sup> Dec
  - g) A bill discounted dishonored 5,800 debited by the bank to the account does not appear in the cash book
  - h) Payment of a bill made by the bank on standing instructions 2,400. Advice was sent on 2<sup>nd</sup> Jan
3. From the following trial balance of Ashok as on 31-Dec-2020. Prepare final accounts after taking into account the adjustments given below:

Particulars	Dr.	Cr.
Capital		1,20,000
Drawings	15,000	
Bills receivable	22,000	
Machinery	20,000	
Debtors and creditors	60,000	58,000
Wages	40,000	
Wages outstanding		1,000
Purchases and sales	2,52,000	3,55,000
Commission		5,500
Rent and taxes	6,000	
Opening stock	90,000	
Salaries	10,500	
Travelling expense	2,000	
Insurance	600	
Repairs	3,400	
Bad debts	3,500	
Furniture	9,000	
Returns	5,000	2,000
Cash in hand	500	
Cash at bank	2,000	

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Additional information:

- Closing stock 1,00,000
- Create 5% provision for doubtful debts
- Prepaid insurance 100
- Commission earned but not received 500
- Salary unpaid 1,500
- Depreciate machinery by 5% and furniture by 10% per annum

## SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. What is accounting system? Explain the two different types of accounting system
5. What are incomplete records? What are its advantages and disadvantages?
6. Record the following transactions in a bank column cash book for December 2020
  - 01 started business with cash 80,000
  - 04 deposited in bank 50,000
  - 10 received cash from Rahul 1,000
  - 15 bought goods for cash 8,000
  - 22 bought goods by cheque 10,000
  - 25 paid to Shyam by cash 20,000
  - 30 drew from bank for office use 2,000
  - 31 rent paid by cheque 1,000
7. Journalize the following transactions 2018
  - 1 business started with cash 8,000 and plant and machinery 3,000
  - 2 stock purchase for sale (cash purchase) = 3,000, credit purchase = 5,000
  - 3 wages paid 1,20,000 (including 20,000 relating to a future year)
  - 4 salaries paid 2,00,000 but due 1,10,000
  - 5 sales made for cash 6,00,000 and on credit 8,00,000
  - 6 depreciation 10 percent on plant and machinery
  - 7 goods costing 20,000 destroyed by fire
  - 8 payments made to creditors to the value of 2,00,000 at 10 percent discount
8. Differentiate between balance sheet and trial balance
9. Explain the components of balance sheet and prepare a balance sheet with illustration
10. What are the different types of errors that are usually committed in recording business transactions?
11. Give a format of a journal and briefly explain its contents
12. Briefly explain the various branches of account
13. Explain cash and accrual basis of accounting

## SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. Name the branches of accounting
15. What is meant by fixed asset?
16. What is meant by single entry system of book keeping?
17. Who is a creditor?
18. How you treat prepaid expenses in final accounts?
19. What is meant by liabilities?
20. What is suspense account?
21. What is depreciation?
22. What is three column cash book?
23. What is journal and narration?
24. What is matching concept?
25. What is trial balance?

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