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Reg. No.....

Name.....

**FIVE YEAR B.B.A., LL.B., (HONOURS) DEGREE EXAMINATION  
DECEMBER 2025**

**First Semester**

**FB 2—PRINCIPLES OF BOOK-KEEPING AND ACCOUNTING**

(2025 Admissions—Regular/2018 to 2024 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

**Part A**

*Answer any five questions.*

*Each question carries 3 marks.*

1. Distinguish between Capital expenditure and Revenue expenditure.
2. Narrate the aims of Book keeping and Accounting.
3. Give the definition of Journal.
4. What are the rules of posting in a ledger ?
5. Name any six subsidiary books which are mostly used in business.
6. Mention the concept of Real Account.

(5 × 3 = 15 marks)

**Part B**

*Answer any three questions.*

*Each question carries 10 marks.*

7. What is the meaning of depreciation? When does it arise ? How is it calculated ? Why is it necessary to make its provision from profits ?
8. Mention the necessary entries in the books of the buyer as well as the seller when goods are sold on the hire purchase system ?
9. What is trial balance ? Why it is prepared ? Is agreement of trial balance conclusive proof of accuracy of accounting ?
10. A transport company purchased 5 trucks at Rs. 2,00,000 each on April 1 2001. The company writes off depreciation @ 20% per annum on original cost and observes calendar year as its accounting year. On October 1, 2003 one of the truck is involved in an accident and is completely

**Turn over**

destroyed. Insurance company pays Rs. 90,000 in full settlement of the claim. On the same day the company purchases a new truck for Rs.90,000. Prepare Depreciation account for 2 years on straight line method from January 2002 to December 2003.

(3 × 10 = 30 marks)

### Part C

*Answer any two questions.*

*Each question carries 15 marks.*

11. Accounting conventions and concepts are foundation of accounting principles. Describe various conventions and concepts while explaining this statement.
12. Following is the Receipts and Payments Account of XYZ Ltd for the year ending at December 31, 2013. Prepare Income and Expenditure Account of the club for the year ending 31<sup>st</sup> December 2013 :

<i>Receipts</i>	<i>Amount</i>	<i>Payments</i>	<i>Amount</i>
Donations	50,000	Building	40,000
Life membership fees	1,500	Quadrangular Match Expenses	900
Quadrangular Match Fund	10,000	Furniture	<b>2,100</b>
Subscription (Include Rs. 100 for 2012)	3,200	Salaries	1,800
Interest	200	Expenses for cricket and Tennis	1,140
Receipts from other matches	900	Insurance paid upto	
Sundry receipts	100	30 <sup>th</sup> June 2014	360
Entrance fees	2,500	Garden expenses	170
		Printing and Stationery	80
		Postage expenses	200
		Other expenses	150
		Investment (at cost)	18,000
		Cash in hand	3,500
<b>Total</b>	<u>68,400</u>	<b>Total</b>	<u>68,400</u>

Capitalise entrance fees and life membership fees. Subscriptions for 2013 Rs. 300 have not received so far. Salary for December 2013 is outstanding Rs. 170 and interest on investment Rs.200 is accrued. Printing and stationery expenses Rs. 30 are also outstanding.

13. The following balances are extracted from the books of M/s. Devanshu as on 31-03-2014 :

Particulars	Rupees
Wages	4097
Purchases	25,659
Sales returns	278
Stock (1-04-2013)	8,968
Sales	35,643
Rent and taxes	562
Salaries	1,100
Travelling expenses	188
Commission (Cr.)	564
Insurance	40
Repairs	337
Interest on Loan	100
Discount (Dr.)	487
Bad debts	362
Drawings	1,055
Bills Receivable	950
Plant and Machinery	2,860
Debtors	6,200
Cash	53
Bank	1,897
Furniture	897
Capital	11,940
Loan at 6%	2,000
Creditors	5,963

Adjustments to be made :

- Stock as on 31-03-2014 is Rs. 12,896.
- Write -off bad debts and provide @ 5% on debtors for doubtful debts.
- Wages include Rs. 120 for installation of a new machinery.
- Unearned commission Rs. 60 and
- Interest on loan outstanding is 100.

Prepare Final Account of M/s. Devanshu as on 31-03-2014.

(2 × 15 = 30 marks)