

**MBA (INT.)**  
**(SEM II) THEORY EXAMINATION 2022-23**  
**FUNDAMENTALS OF ACCOUNTING**

Time: 3 Hours

Total Marks: 100

Note: Attempt all Sections. If require any missing data; then choose suitably.

**SECTION A**1. Attempt *all* questions in brief.

2 x 10 = 20

- (a) Define the term Accounting.
- (b) Define the term Current Assets.
- (c) What do you mean by Ledger folio?
- (d) Explain the concept of Drawings.
- (e) What do you mean by Ledger balancing?
- (f) What do you mean by Two Columnar cash book?
- (g) Explain the term Dilapidations.
- (h) What is Double declining method of charging depreciation?
- (i) What do you mean by Debtors and Creditors?
- (j) What is Trading Account?

**SECTION B**2. Attempt any *three* of the following;

10x3=30

- (a) Clearly explain about various functions of accounting
- (b) What do you mean by Accounting Cycle? Explain clearly.
- (c) Clearly Explain the basic thumb rules for journalizing the transactions.
- (d) What is Depreciation? What are basic features of depreciation? Also discuss various causes for charging depreciation.
- (e) What is Final Account? What purpose it serve? Explain clearly.

**SECTION C**3. Attempt any *one* part of the following:

10x1=10

- (a) Clearly discuss various accounting conventions.
- (b) Explain the concept of accounting Equation with the help of suitable example.

4. Attempt any *one* part of the following:

10x1=10

- (a) What do you mean by users of Accounting information? Clearly discuss.
- (b) Journalize the following transactions for the month of January 2021.
  - Jan 1 Started business with Rs.1,00,000, paid into Bank 50,000
  - Jan 2 Bought Furniture for Rs.9,000
  - Jan 4 Purchased goods from Mohan & Co. for Rs.40,000 for cash
  - Jan 5 Sold goods for Rs.17,000
  - Jan 7 Paid Telephone rent Rs.4,000
  - Jan 8 Purchased goods for Rs.10,000 from Ashok & Co.
  - Jan 10 Paid Rs.1,000 for advertisement by cheque
  - Jan 11 Bought Machine equipment for Rs.7,500 from Dharam & Co. On credit

Jan 12 Sold goods to Bedi & Co. for Rs. 29,000  
Jan 14 Withdrew Rs. 3,500 from the Bank for private use  
Jan 16 Sold goods to Omega & Co. for Rs.6,500 for cash  
Jan 25 Received cash from Bedi & Co. Rs.28,500, discount allowed Rs.500  
Jan 26 Paid into bank Rs.25,000  
Jan 31 Issued cheque for Rs.3,000 in favour of the landlord for rent  
Jan 31 Paid salaries to staff Rs.6,000  
Jan 31 Paid cash Rs.9,500 Ashok & Co. in full settlement of their account

5. Attempt any one part of the following:

10x1=10

- (a) Clearly explain about various methods of preparing Trial Balance.  
(b) Clearly differentiate between Equity shares and Preference shares.

6. Attempt any one part of the following:

10x1=10

- (a) M/s Raj & Co. purchased a machine for Rs. 1,00,000. Estimated useful life and scrap value were 5 years and Rs. 12,000 respectively. The machine was put to use on 1.1.2018. Show Machinery Account in their books from 2018 to 2022 by using sum of year's digits method.  
(b) What are the various factors to be considered for determining the Depreciation policy? Clearly discuss.

10x1=10

7. Attempt any one part of the following:

- (a) Clearly draw a Performa of Final Account.  
(b) Clearly discuss the solutions of various adjustment entries related to final accounts.

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