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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) (071)/
BSC SPORTS MANAGEMENT (770) /
B.Sc IN BUSINESS ADMINISTRATION(B.Sc.BA) (755)
EXAMINATION: MAY - 2026
SEMESTER - I
Sub.: Fundamentals of Accounting
(BBA24-112, BSBA24-112, BSC24-112)

Time: 10.00 am to 12.30 pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

- Which accounting concept assumes that the business will continue for a long period?
a) Matching Concept b) Going Concern Concept
c) Cost Concept d) Dual Aspect Concept
- Which book is used to record credit purchases of goods?
a) Sales Book b) Purchase Book
c) Cash Book d) Journal
- Which of the following is a Personal Account?
a) Salary b) Building
c) Ram & Co. d) Insurance
- Which of the following errors affects the trial balance?
a) Error of omission b)) Error of principle
c) Error of casting d) Compensating error
- Which account is debited when goods are sold for cash?
a) Sales Account b) Cash Account
c) Purchases Account d) Capital Account

Q. 2. State True / False (05)

1. Trial Balance ensures complete accuracy of accounts.
a) True b) False
2. Depreciation is a non-cash expense.
a) True b) False
3. Purchases Book records both cash and credit purchases.
a) True b) False
4. Capital is a liability for a business.
a) True b) False
5. Outstanding income is treated as an asset at the end of financial year.
a) True b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Accounting Concepts and Conventions
2. Types of Errors in Accounting
3. Bank Reconciliation Statement – Meaning and Need
4. Subsidiary Books – Meaning and Types
5. Advantages of Double Entry System

Q. 4. Answer in detail (Any Two)**(20)**

1. Journalise the following transactions in the books of Mr. Deepak for January 2026:

1. Started business with cash ₹ 3,00,000
2. Opened bank account with ₹ 1,00,000
3. Purchased goods for ₹ 60,000 in cash
4. Sold goods for ₹ 90,000 on credit to Raj Traders
5. Paid salary ₹ 15,000
6. Bought furniture ₹ 25,000 by cheque
7. Received ₹ 50,000 from Raj Traders
8. Paid rent ₹ 10,000
9. Returned goods worth ₹ 5,000 to supplier
10. Withdrew ₹ 12,000 for personal use

2. Prepare Trial Balance from the following balances of M/s Star Enterprises as on 31st March 2026. Show suspense account if required.

Capital	80,000	Rent	4,000
Purchases	80,000	Wages	58,000
Sales	1,05,000	Machinery	30,000
Debtors	20,000	Bank Loan	12,000
Creditors	5,000	Discount Received	1,000
Cash	5,000	Drawings	6,000

3. Classify the following accounts into Personal, Real, and Nominal:

Sundry Debtors, Interest, Cash, Purchases, Building, Salary, Infosys Ltd., Loss, Stock, Insurance, Capital, Rent, Machinery, Commission, SBI Bank, Goodwill, Electricity Expenses, Creditors, Advertisement

4. Explain the reasons for difference between Cash Book and Pass Book balances.

Q. 5. The following are the transactions of Modern Traders, dealing in electronic goods:**(15)**

April 1, 2025: Started business with ₹ 10,00,000

1. April 3: Deposited ₹ 4,00,000 in bank
2. April 5: Purchased goods on credit from Ajay Enterprises ₹ 2,00,000
3. April 10: Sold goods on credit to Rohan Ltd. ₹ 1,50,000
4. April 12: Sold goods for cash ₹ 1,20,000
5. April 15: Paid ₹ 1,00,000 to Ajay Enterprises by cheque
6. April 18: Received ₹ 80,000 from Rohan Ltd. by cheque
7. April 20: Purchased goods for cash ₹ 40,000
8. April 22: Paid office expenses ₹ 8,000 in cash
9. April 25: Withdrew ₹ 15,000 for personal use

Prepare the following accounts:

1. Capital Account
2. Cash Account
3. Purchase Account
4. Sales Account
5. Bank Account
