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BASOMCN 202

Second Semester B.A. Degree Examination, September 2022
OFFICE PRACTICE AND MANAGEMENT
Business Finance and Accounting (DSCC)
(2021 – 22 Batch Onwards)
(NEP – 2020)

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any two** questions :

(2×5=10)

1. State and explain the characteristics of Business Finance.
2. What is the need for preparing Bank Reconciliation Statement ?
3. Distinguish between Trading Account and Profit and Loss Account.

SECTION – B

Answer **any two** questions :

(2×10=20)

4. Write a note on :
 - A) Retained Earnings
 - B) Trade Credit.
5. From the following particulars prepare a Bank Reconciliation Statement as on 31-12-2021.
 - a) The bank balance as per Pass Book was Rs. 2,300.
 - b) Cheque issued but not cashed Rs. 450.
 - c) A cheque received from Malathi for Rs. 200 was paid into bank in January 2022.
 - d) The pass book shows a debit of Rs. 80 for bank charges.
 - e) Interest Rs. 130 credited only in the pass book.
 - f) Cheque deposited into bank for collection, dishonoured Rs. 500.

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6. From the following particulars, prepare a trading and Profit and Loss Account for the year ended 31-3-2022.

	Rs.
Opening stock	5,000
Purchases	30,000
Sales	70,000
Return Inwards	2,000
Return Outwards	500
Salaries	5,500
Rent and taxes	1,000
Trade expenses	700
Interest on investment	800
Advertisement	1,600
Commission (Dr.)	1,200
Discount (Cr.)	300
Wages	350
Depreciation on furniture	340
Carriage	250
Lighting	100
Closing stock	16,000

Adjustments :

- a) Salaries unpaid Rs. 500.
- b) Rent prepaid Rs. 100.
- c) Interest on Investment outstanding Rs. 100.

SECTION – C

Answer **any two** questions :

(2×15=30)

7. Explain the sources of Industrial Finance generated through Financial Institutions and International Agencies.



8. From the following particulars prepare a Bank Reconciliation Statement as on 31-01-2022.

- a) Bank balance as per Cash Book as on 31-1-2022 Rs. 12,000.
- b) Out of total cheques amounting to Rs. 2,000 issued, cheques for Rs. 700 were presented for payment in February 2022.
- c) Of the cheques amounting to Rs. 3,000 paid into bank during January 2022, cheques of Rs. 1,800 only were credited in the pass book so far.
- d) The Pass book shows a credit of Rs. 200 for interest and Rs. 100 for commission.
- e) There was a debit of Rs. 500 for interest on overdraft and Rs. 300 towards fire insurance premium in the pass book as per the standing instructions.
- f) Rs. 1,000 in respect of a dishonoured cheque appears only in the Pass Book.
- g) The Bank column on the Receipt side of Cash Book was found to be undercast by Rs. 100.
- h) Cheque deposited in the bank but not yet collected by the bank Rs. 500.

9. From the following Trial Balance, prepare Trading and Profit and Loss Account for the year ended 31st March 2022 and a Balance Sheet as on date.

	Dr. Rs.	Cr. Rs.
Capital		35,000
Drawings	2,400	
Bills Receivable and Bills Payable	8,200	3,000
Plant and Machinery	19,600	
Advertising	1,200	
Commission		360
Wages	11,600	
Discount Allowed	160	
Railway Freight on Purchases	340	

BASOMCN 202

-4-



Returns Inward	930	
Salaries	7,875	
Rent and Taxes	250	
Printing and Stationery	325	
Bad Debts	150	
Purchases and Sales	50,600	84,870
Sales Tax	1,875	
Debtors and Creditors	24,200	15,300
Stock 1 st April 2021	7,965	
Trade Expenses	190	
Rent	1,650	
Insurance	400	
Cash in hand	180	
Bank overdraft		5,760
Computer	4,200	
Total	1,44,290	1,44,290

Adjustments :

- a) Stock on 31-3-2021 was valued at Rs. 12,500.
 - b) Commission earned but not received Rs. 140.
 - c) Rent outstanding Rs. 150.
 - d) Depreciate Plant and Machinery at 5%.
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