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**BACHELOR OF BUSINESS ADMINISTRATION
(RETAIL SERVICES)**

**Term-End Examination
June, 2011**

BRS-004 : BUSINESS ACCOUNTING

Time : 3 hours

Maximum Marks : 100

Note : *Answer any five questions. All questions carries equal marks.*

1. "The objective of *Financial Statements* is to provide 20
information about the *financial Position*,
Performance and *change in financial Position* of an
enterprise that is useful to a wide range of *users*
in making *economic decisions*". Explain and discuss
the Key aspects highlighted in bold of this formal
definition of the financial statement. .

2. (a) What do the items "debit" and "credit" 10
actually means ?

- (b) Profit in the figure which links the profit and 10
loss account and the balance sheet. Discuss.

3. Name the principal books and registers that are generally required to be maintained by a retail company. Explain the functions of each and also give illustrations of the more important of them. 20
4. Briefly *comment* on the following : 10x2=20
- (a) Profit is thus contingent upon many adjustment, assumptions and estimates.
- (b) Traditionally management accounting has been criticised for focusing on minimising costs rather than maximising revenues.
5. Write short notes :
- (a) Accounting Period. 10
- (b) Posting of the Sales book. 10
6. Rearrange the following list of accounts and produce a trial balance. 20

Account Payable	9,000	General Exp.	1,000
A/c Receivable	14,000	Notes Payable	11,000
Capital	32,000	Rent Expenses	5,000
Cash	20,000	Salaries Exp.	8,000
Drawing	4,000	Supplies	6,000
Equipment	18,000	Supplies Exp.	2,000
Fees income	26,000		

7. Indicate the name of the account group-Income (I), Expenses (E), Asset.(A), Liability (L) or Capital (C) in which each of the following a/c. below. 20
- (a) Accounts payable
 - (b) Account Receivables
 - (c) Building
 - (d) Supplies
 - (e) Cash
 - (f) Drawing
 - (g) Equipment
 - (h) Fees income
 - (i) Interest Expenses
 - (j) Interest income
 - (k) Notes Payable
 - (l) Rent income
8. (a) Accounting Records are kept on the accrual basis, except in the case of a very small business. Explain 10
- (b) Book-Keeping in Accounting is a best way to streamline the Accounts. 10
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