



P.B. SIDDHARTHA COLLEGE OF ARTS & SCIENCE

Siddhartha Nagar, Vijayawada – 520 010

Autonomous - ISO 9001 – 2015 Certified

FUNDAMENTALS OF COMMERCE

Offered to: BBA Business Analytics

Course Code: 23ANAT11

Semester: I

Theory: 5hrs/week

Credits: 4

Learning Objectives:

- The objective of this paper is to help students to acquire conceptual knowledge of the Commerce, Economy and Role of Commerce in Economic Development. To acquire Knowledge on Accounting.

Learning Outcomes: At the end of the course,

- The student will be able to identify the role of commerce in Economic Development and Societal Development.
- Equip with the knowledge Accounting Principles, ledgers and preparation of Trial Balance.
- To acquaint the knowledge on subsidiary books
- To acquire knowledge on methods for computation of Depreciation
- To enlighten the students about Final Accounts

Syllabus

Unit 1: Introduction to Commerce:

Commerce - Industry and Commerce – Industry Classification and Commerce - Trade - Trade Classification – Aids to Trade – Role of Commerce in Economic Development – Role of Commerce in Societal Development.

Unit 2: Accounting Principles:

Meaning and Objectives Accounting, Accounting Cycle - Branches of Accounting - Financial Accounting, Cost Accounting, Management Accounting. Concepts and Conventions of Accounting – GAAP – Classification of Accounts and its rules – Book – Keeping and Accounting – Double Entry Book – Keeping – Journalising

Unit 3: Ledgers and Subsidiary Books:

Posting to Ledgers – Balancing of Ledger Accounts - Types of Subsidiary Books – Cash Book – Simple Cash Book – Double Column Cash Book - Three Column Cash Book – Petty Cash Book - Preparation of Trial Balance.

Unit 4: Depreciation:

Meaning of Depreciation – Causes of Depreciation – Objects of providing for Depreciation – Factors affecting Depreciation – Accounting Treatment – Methods of providing depreciation: Straight line method and Diminishing Balance Method

Unit 5: Final Accounts:

Meaning of Final Accounts – Features, uses and preparation of Manufacturing and Trading Account – Features, uses and preparation of Profit & Loss Accounts and Balance Sheet – Final Accounts with adjustments

Lab Exercise:

- Assignment on GAAP.
- Group Activities on Problem solving.

- Collect data and report the role of Commerce in Economic Development.
- Quiz Programs
- Co-operative learning on Accounting Principles.
- Group Discussions on problems relating to topics covered by syllabus
- Examinations (Scheduled and surprise tests)
- Any similar activities with imaginative thinking beyond the prescribed syllabus

Reference Books:

1. S.P. Jain & K.L. Narang, Accountancy - I Kalyani Publishers.
2. R.L. Gupta & V.K. Gupta, Principles and Practice of Accounting, Sultan Chand

FUNDAMENTALS OF COMMERCE
MODEL QUESTION PAPER

Course Code: 23ANAT11
(5*4M=20Marks)

Section – A

1. A) Write the difference between Industry and Commerce. (L2)
(Or)
B) Explain the concept of aids to trade. (L2)
2. A) Discuss the accounting cycle. (L3)
(Or)
B) Define the classification of accounts and rules with examples. (L2)
3. A) What do you mean by balancing of ledger? (L2)
(Or)
B) Write a note on subsidiary books. (L2)
4. A) Explain the causes and objectives of depreciation. (L2)
(Or)
B) Discuss the factors affecting depreciation. (L3)
5. A) What do you mean by final accounts? Explain its features. (L2)
(Or)
B) Explain the features and uses of Trading and Profit & Loss account. (L2)

Section - B

(5*10M=50 Marks)

6. A) What is Commerce? Explain its features and classification. (L2)
(Or)
B) Explain the role of commerce in Economic development in India (L2)
7. A) Discuss the Concepts and Conventions of accounting in India. (L3)
(Or)
B) Journalise the following transactions of Mr. Ram prasad.
2020 April 1 Ram prasad started business with cash Rs. 50,000, Furniture Rs. 15,000 and stock Rs. 10,000.
2 Opened current account with Andhra Bank Rs. 20,000
5 Sold goods to Rama Rao for Rs. 3,000
6 Withdrawn from Bank for office use Rs. 2,000
9 Sold goods for cash Rs. 1,200 and out of that paid Rs. 800 into Bank
10 Typewriter Purchased by cheque Rs. 5,000
12 Purchased goods from Sudhakar for Rs. 6,000
14 Returned goods to Sudhakar Rs. 2,000
19 Sold goods to Krishna Rs. 1,500
20 Salaries paid Rs. 2,000
8. A) i) Explain the types of Cash book.
ii) Explain the types of Subsidiary books.
(Or)
B) On April 1, 2021, Hassan Sajjad Store Cash Book showed debit balances of Cash Rs. 1,550 and Bank Rs. 13,575. During the month of April following business was transacted. You are required to prepare Cash Book?
April 2021
02 Purchased Office Type-Writer for Cash Rs. 750; Cash Sales Rs. 1,315.
07 Deposited Cash Rs. 500 to bank.
10 Received from A. Hussain a cheque for Rs. 2,550 in part payment of his account (not deposited).
16 Paid by cheque for merchandise purchased worth Rs. 1,005.
20 Deposited into Bank the cheque received from A. Hussain.

22 Received from customer a cheque for Rs. 775 in full settlement of his accounts (not deposited).

P.T.O...

24 Sold merchandise to sweet Bros. for Rs 1,500 who paid by cheque which was deposited into bank.

26 Paid creditor a Salman Rs. 915 by check.

28 Deposited into Bank the cheque of customer of worth Rs. 775 was dated 22nd April.

29 Paid wages by cash Rs. 500 and salary Rs. 1,000 by bank.

30 Drew from Bank for Office use Rs. 250 and Personal use Rs. 150.

9. A) What is depreciation? Explain any two methods in detail?

(Or)

B) Noor Bakhat & Company purchased a factory machine of Rs. 51,000 on January 1, 2017.

The machine is expected to have a salvage value of Rs. 6,000 at the end of its 5-year useful life. During the useful life, the machine is expected to be used for 5,000 hours.

The machine was used as under:

Year	Hours used
2017	1,200
2018	800
2019	1150
2020	850
2021	1000

You are required to prepare Schedule of Depreciation on the basis of Straight line method.

10. A) How Final Accounts impact on business organisations? Explain its roll in organisation.

(Or)

B) Following is the Trail Balance of Sita and Gita as on 31st March,2021

Debit Balance	Amount (Rs.)	Credit Balance	Amount (Rs.)
Opening Stock	1,60,000	Sundry Creditors	1,50,000
Purchases	4,00,000	Bank loan	87,200
Bills receivables	4,000	Sales	8,40,000
Cash in hand	26,000	Bills Payable	40,000
Bad debts	2,000	Interest	10,000
Machinery	1,32,000	Capitals:	
Advertisement	16,000	Sita:	3,20,000
Sundry Debtors	1,00,000	Gita:	2,00,000
Goodwill	1,40,000		
Land and Building	4,50,000		
Fuel	30,000		
Wages and Salaries	80,000		
Rent and Taxes	40,000		
Discount	17,200		
Commission	20,000		
Furniture	30,000		
	16,47,200		16,47,200

From the following additional information, you are required to prepare trading and profit and loss account for the year ended on 31st March, 2021 and a Balance sheet as on that date

- Closing stock as on 31st March, 2021: Rs. 1,20,000
- Depreciate machinery by 10% and furniture by 5%
- Create a reserve of 5% on sundry debtors for doubtful debts.
- Write off ¼ of advertising.
