

Roll No. ....

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**BBA (Sem. - 2<sup>nd</sup>)**  
**FINANCIAL ACCOUNTING**  
**SUBJECT CODE : BB - 201**  
**Paper ID : [C0207]**

[Note : Please fill subject code and paper ID on OMR]

**Time : 03 Hours**

**Maximum Marks : 60**

**Instruction to Candidates:**

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

**Section - A**

**Q1)**

**(10 × 2 = 20)**

- a) Ledger.
- b) Bookkeeping vs. Accounting.
- c) Current assets.
- d) Net worth.
- e) Marshaling.
- f) Realization concept.
- g) Going concern concept.
- h) Bank reconciliation statement.
- i) Errors of omission.
- j) Depreciation.



## Section - B

(4 × 10 = 40)

- Q2)** Discuss in detail nature, scope and limitations of financial accounting.
- Q3)** (a) What is the need to journalize the business transactions?  
(b) Explain the classification of different types of accounts.
- Q4)** What are the different types of errors that creep into while preparing trial balance?
- Q5)** Prepare Trading and profit and loss account of M/S Konark Enterprises for the year ended 31<sup>st</sup> March 2007 from the below mentioned information.

<i>Debit Balance</i>	<i>Rs.</i>	<i>Credit Balance</i>	<i>Rs.</i>
Equipment	10000	Accumulated depreciation (furniture)	1800
Furniture	12000	Accumulated depreciation (equipment)	1500
Opening stock	29560	Creditors	2380
Office supplies	2180	Share capital	30000
Debtors	3400	Retained earnings	1710
Cash	2740	Sales	88950
Prepaid insurance	2400	Purchase returns and allowance	970
Prepaid advertisement	1900	Purchase discounts	190
Sales returns and allowance	1300		
Sales discount	750		
Purchases	37910		
Freight in	2950		
Office salary	2400		
Sales salary	8100		
Delivery expenses	500		
Telephone expenses	910		
Store rent	3300		
Office rent	2200		
Dividend	3000		
	<b>127500</b>		<b>127500</b>



**Q6)** Ramesh construction company purchased equipment for Rs. 20 lacs in 2001. The equipment was expected to be useful for seven years or 15000 hours, with an estimated residual value of Rs. 2 lacs at the end of that time. The equipment logged 2000 hours in the first year, 1000 hours in second year and 3000 hours in third year. Depreciation rate may be taken at 14%. You are required to compute the depreciation expense for the first year under each of the following methods :

- (a) Written down value.
- (b) Straight line method.

**Q7)** From the following information, prepare a Bank Reconciliation Statement as on 31<sup>st</sup> March, 2008 for M/S New Steel Ltd :

- (a) Bank overdraft as per cash book Rs. 25,000.
- (b) Interest debited by the bank on 26<sup>th</sup> March but not advised received Rs. 3,000.
- (c) Cheques issued before 31<sup>st</sup> March but not presented to bank for payment Rs. 7,000.
- (d) Transport subsidy received from government directly by the bank but not advised to the company Rs. 4,000.
- (e) Draft deposited in the bank but not credited till 31<sup>st</sup> March Rs. 1,500.
- (f) Bills for collection credited by the bank till 31<sup>st</sup> March but no advice received by the company Rs. 9,000.
- (g) Amount wrongly debited to company by the bank for which no details are available Rs. 800.

