

Roll No. 

Total No. of Pages : 04

Total No. of Questions : 09

BBA (Sem.-1<sup>st</sup>)**FINANCIAL ACCOUNTING**

Subject Code : BBA-103 (2012 Batch)

Paper ID : [C1123]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying TEN marks each and student has to attempt any ONE question from each Subsection.

**SECTION-A**

1. Write briefly :

- (a) What is Book Keeping ?
- (b) Classification of accounts.
- (c) Money Measurement Concept.
- (d) What is Balancing ?
- (e) Contra entry
- (f) Debit note & Credit note
- (g) Revenue expenditure
- (h) Reserves
- (i) Prepaid expenses
- (j) Objectives of Trial Balance.

**SECTION-B****UNIT - I**

2. (a) What are the differences between Book Keeping and Accounting?
- (b) Write a detail note on the parties interested in accounts.

3. Enter the following transactions in the cash book with three columns and balance it :

2012	Particulars	Rs.
July 1	Cash in hand Rs. 1,250; Cash at bank	1,840
July 3	Cash sales Rs. 800 and cash purchases	900
July 5	Paid into bank	500
July 9	Bought machinery and paid by cheque	1,500
July 11	Received cash from Rohan Rs. 350; Discount allowed	7
July 15	Paid into bank	800
July 19	Paid Rs. 195 to Sohan in full settlement of his account for	200
July 25	Drew from bank for office use	700
	Drew from bank for personal use	200

**UNIT - II**

4. What is Trial Balance, explain its advantages ? What are the methods of preparing Trial Balance ?
5. Rectify the following errors.
  - (a) Sales to Sonu Rs. 205 were recorded as Rs. 250.
  - (b) Purchase of Rs. 355 from Mohit, posted in his account in Rs. 545.
  - (c) Rs. 350 received from Pooja was wrongly shown as received from Ahuja.
  - (d) Purchase of Computer was passed through purchase book amounted to Rs. 30000/-.
  - (e) Rs. 574 paid for repair of building was debited to building a/c as Rs. 174.

**UNIT - III**

6. Define the term Depreciation. Explain straight line method with its merits & demerits.

7. Prepare Trading and Profit and Loss Account for the year ended 31st March, 2004 and a Balance Sheet as on that date from the following Trial Balance :

	Dr. (Rs.)	Cr. (Rs.)
Capital	—	10,000
Cash	1,500	—
Bank overdraft	—	2,000
Purchases and Sales	1,200	15,000
Returns	1,000	2,000
Establishment Expenses	2,200	—
Taxes and Insurance	500	—
Bad debts	500	—
Provision for doubtful debts	—	700
Debtors and Creditors	5,000	2,000
Commission	—	500
Deposits	4,000	—
Opening Stock	3,000	—
Drawings	1,400	—
Furniture	600	—
B/R and B/P	3,000	2,500
	<b>34,700</b>	<b>34,700</b>

Adjustments :

- (1) Salaries Rs. 100 and taxes Rs. 200 are outstanding but Insurance Rs. 50 is prepaid.
- (2) Commission Rs. 100 received in advance for next year.
- (3) Interest 210 is to be received on Deposits and Interest on Bank overdraft Rs. 300 is to be paid.
- (4) Doubtful debts provisions is to be maintained at Rs. 1,000.
- (5) Depreciate Furniture by 10%.
- (6) Stock on 31st March, 2004 is Rs. 4,500.

#### UNIT - IV

8. (a) Distinguish between a Receipt and Payment account and a Cash Book.  
(b) Distinguish between an income and expenditure account and a Profit & Loss Account.
9. From the following Receipts and Payments Account of a club and from the information supplied, prepare an Income and Expenditure Account for the year ended 31st December 2011 and the Balance Sheet as on that date :

#### Receipts and Payments Account

Dr. for the year ending 31st December, 2012 Cr.

Receipts	Rs	Payments	Rs.
To Balance b/d	350	By Salaries	1,400
To Subscriptions :		By General Expenses	300
20X1 250		By Electric Charges	200
20X2 1,000		By Books	500
20X3 200	1,450	By Newspapers	400
To Rent received from the use of the hall	700	By Balance	200
To Profit from Entertainment	400		
To Sales of Newspapers	100		
	<b>3,000</b>		<b>3,000</b>

#### Information :

- The club has 50 members each paying an annual subscriptions of Rs. 25, subscription outstanding on 31st December 2011 were Rs. 300.
- On 31st December 2012 salaries outstanding amounted to Rs. 100. Salaries paid in 2012 included Rs. 300 for year 2011.
- On 1.1.2012, the club owned Building valued at Rs. 10,000; Furniture Rs. 1,000 and books Rs. 1,000.
- Provide depreciation on Furniture at 10% p.a.