

Roll No. ....

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

Time: 03 Hours

Maximum Marks : 60

Instruction to Candidates:

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

## Section - A

(10 × 2 = 20)

- Q1)** a) Explain Cost concept.  
 b) What are Representative Personal Accounts? Give two examples.  
 c) What are Current Assets? Give two examples.  
 d) Write three rules of Double Entry System.  
 e) What are Errors of Omission?  
 f) What are Net profits?  
 g) What are Outstanding Expenses?  
 h) Is capital a liability?  
 i) Define capital.  
 j) What is Marshalling of balance Sheet?

## Section - B (4 × 10 = 40)

- Q2)** Define Financial Accounting. What are its objectives? Discuss its merits and limitations.
- Q3)** What is the purpose of preparing journal and ledger accounts? Discuss the rules of preparing a journal. Illustrate your answer.
- Q4)** Discuss the reasons of charging depreciation? Evaluate different methods of charging depreciation.
- Q5)** There was a difference in the Trial balance of Mr D C Gupta as on 31<sup>st</sup> March 2010 and the difference in books (excess debit of Rs. 1200) was carried to a Suspense Account and the books were closed. On going through the books after 1<sup>st</sup> April 2010, it was found that:
- a) Rs. 500 received from C Gupta was posted to the debit of his account.
  - b) Rs. 100 being purchases returns were posted to the debit of purchases Account.
  - c) Discount Rs. 200 received, entered in the cash book, was not posted in the ledger.
  - d) Rs. 574 paid for repairs to Motor car was debited to Motor Car Account as Rs. 174.
  - e) A Sale of Rs 350 to Agarwal was entered in the Sales Book as Rs. 530.
  - f) While carrying forward total of one page in Ram's Account, the amount of Rs. 250 was written on the credit side instead of debit side.

- Q6)** Prepare a Bank Reconciliation Statement from the following information:  
On 31<sup>st</sup> December 2010 the cash Book of Mr. Singh showed a bank overdraft of Rs. 3894. On checking the books the following differences were noted between the two set of books.
- Bank charges of Rs. 45 and interest on overdraft of Rs. 225 appear in the Bank Pass Book but not in the Cash Book.
  - Cheques for Rs. 2250 were deposited in the bank but not collected.
  - Rs. 4500 being the proceeds of a bill collected appear in the Pass Book but not in the Cash Book.
  - A cheque for Rs. 450 received from Sachin and deposited in the bank was dishonoured but the advice of non payment was received from the bank on Jan. 1, 2011.
  - Cheques drawn for Rs. 1800 were entered in the cash book but were not presented at the bank till first week of Jan. 2011.
- Q7)** The following Trial balance is extracted from the books of Murli Manohar. Prepare Trading and Profit and Loss Account for the year ended on 31<sup>st</sup> March 2010 and a Balance Sheet as on that date:

Particulars	Dr. Balance (Rs.)	Cr. Balance (Rs.)
Drawings	3,500	
Buildings	6,000	
Debtors and Creditors	5,000	8,000
Purchases and sales	30,000	46,500
Sales returns and Purchases returns	350	290
Discount	710	
Insurance	300	
Cash	3,000	
Opening stock	1,200	
Bad Debts	500	
Bad debt Reserve	---	1,500
Carriage	630	
Wages	2,770	
Machinery	20,000	
Furniture	6,000	
Salaries	3,300	
Bank Charges	200	
Bills receivable & Bills payable	6,000	4,000
Trade Charges	830	
Capital		30,000
Total	90,290	90,290

Adjustments:

- Depreciation – Buildings – 5%, Machinery-10% p.a.
- Trade expenses Rs. 250 and wages Rs. 350 have not been paid.
- Allow interest on capital at 10% p.a.
- Make provision for doubtful debts at 5%.
- Machinery includes Rs. 5000 of a machine installed on 31<sup>st</sup> December 2010. Wages include Rs. 1000 spent on the installation of the machine.
- Stock as on 31<sup>st</sup> March 2011, Rs 5000.

