

Roll No. ....

**56506**

**MBA 5 Year 1st Semester (New Scheme)  
Examination – December, 2022**

**FINANCIAL ACCOUNTING**

Paper : 501-P6

Time : Three Hours ]

[ Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Section – A (Question No. 1) is compulsory. Attempt four questions from Section – B selecting one question from each Unit. All questions carry equal marks.

**SECTION – A**

1. Write short note on :

- Real Account
- Dual Aspect Concept
- Suspense Account
- Error of Commission
- Deferred Revenue Expenditure
- Prepaid Expenses

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P. T. O.

(g) Depreciation

(h) Donation

**SECTION – B**

**UNIT – I**

2. What are accounting principles ? Explain their characteristics & significance. Discuss accounting conventions in brief.

3. Write note on :

- Books of Original Entry
- Compound Journal Entry
- Trade Discount
- Cash Discount

**UNIT – II**

4. What do you mean by rectifying entries ? How would you rectify one sided & two sided errors ?

5. Prepare a Trial Balance as on 31st March, 2021 :

Name of Accounts	₹	Name of Accounts	₹
Opening Stock	20,000	Furniture	6,000
Purchases	85,000	Machinery	62,000
Purchase Returns	5,000	Debtors	36,000
Sales	1,60,000	Creditors	12,750
Sales Returns	6,200	B/R	4,600
Rent	1,200	B/P	2,500
Salaries	5,700	Cash in Hand	5,220

Advertisement	300	Bank Overdraft	10,000
Commission Received	1,410	Interest on Overdraft	1,000
Discount Cr.	710	Capital	50,000
		Drawings	7,000

### UNIT - III

6. What is Bank Reconciliation Statement ? Explain the causes for preparing a Bank Reconciliation Statement.
7. Prepare Trading and Profit and Loss Account & Balance Sheet as on 31st March, 2021

Name of Accounts	Dr. (₹)	Cr. (₹)
Drawing & Capital	18,000	80,000
Purchases & Sales	87,000	1,55,000
Stock (1st April, 2020)	42,000	
Return Out		1,600
Carriage In	1,200	
Wages	4,000	
Power	6,000	
Machinery	50,000	
Furniture	14,000	
Rent	22,000	
Salary	15,000	
Insurance	3,600	
8% Bank Loan		25,000

Debtors	20,600	
Creditors		
Cash in Hand	1,500	18,900
	2,80,500	2,80,500

### Adjustments :

- Closing stock ₹ 64,000
- Wages outstanding ₹ 2,400
- Bad debts ₹ 600 & provision for bad & doubtful debts to be 5% on debtors
- Rent is paid for 11 months
- Loan from bank was taken from 1st October, 2020
- Provide depreciation on machinery @ 10% p.a.
- Provide manager's commission at 10% on net profit after charging such commission.

### UNIT - IV

- Explain concept of Depreciation Accounting ? Explain written down value method by example.
- What is Receipts & Payment Account ? What are its characteristics ?