

Roll No.

Total No. of Pages : 04

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**BBA (2014 to 2017)/BRDM/B.SIM (2014 & Onwards)**  
**(Sem.-1)**

**FINANCIAL ACCOUNTING**

Subject Code : BBA-103

M.Code : 10540

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any ONE question from each Sub-section.

**SECTION-A**

**1. Answer briefly :**

- a) Objectives of book-keeping.
- b) Advantages of accounting.
- c) Contra entry.
- d) Journal.
- e) Capital expenditure.
- f) Objectives of trail balance.
- g) Suspense account.
- h) Non-profit organization.
- i) Pass book and cash book
- j) Bank reconciliation statement.

## SECTION-B

### UNIT-I

2. What do you mean by accounting? What are the objectives of it?
3. Enter the following transactions in cash book with cash, bank and discount column :

Dec. 1 cash in hand Rs. 16,000; Dec.2 opened a bank account with Rs. 7,000; Dec. 3 cash purchase Rs. 600; Dec. 4 Received a cheque of Rs. 400 from Mr. Prabhakar and gave him Discount Rs. 25; Dec. 6 cash sale Rs. 1,200; Dec. 7 Received a cheque of Rs. 100 from Venketesh for interest; Dec. 9 Salary paid to the office manager by cheque Rs. 450 ; Dec. 11 Withdrew from bank for personal use Rs. 300 ; Dec. 15 purchased a bicycle for office use Rs. 300; Dec. 18 paid office rent Rs. 80; Dec. 20 Sold goods to Shah for cash Rs. 900 ; Dec. 22 purchased government bonds Rs. 700; Dec. 25 paid travelling allowance to the office manager Rs. 150; Dec. 27 Received commission Rs. 175; Dec. 28 Gave a cheque to Ajanta printers for advertisement Rs. 50; Dec. 29. The cheque received from Prabhakar on 4<sup>th</sup> December was dishonoured; Dec. 31 Cash in excess of Rs. 2,000 was paid into bank. Balance it.

### UNIT-II

4. What do you mean by rectification of error? Describe the various methods of rectification of errors.
5. The following information relates to Anjali who requests you to prepare adjusted cash book and reconcile the same with her pass book :

	<b>Rs.</b>
Cash book balance (credit)	400
Cheques issued not presented	720
Cheques sent in but not collected	130

In addition you are told that

1. Debit side of the cash book (bank column) has been undercast by Rs. 250.
2. Cheque issued for Rs. 100 to a creditor was wrongly entered in the cash column.
3. Bank cheque Rs. 40 do not appear in cash book.

### UNIT-III

6. Discuss briefly the merits and limitations of straight line method and diminishing balance method ?

7. From the following trial balance of M/s Ram Co., Patna, Prepare a Trading and Profit and Loss A/c for the year ending 31<sup>st</sup> March 2011 and also Balance Sheet as on that date :

Sr.No.	Particular	Dr. Amount	Cr.Amount
1.	Capital A/c	Nil	45000
2.	Drawings	3250	--
3.	Land and Buildings	12750	--
4.	Plant and Machinery	7250	--
5.	Furniture	750	--
6.	Carriage	2125	--
7.	Wages	10750	--
8.	Salaries	2350	--
9.	Bad debt, Provision (1.4.2010)	--	1250
10.	Sales	--	47500
11.	Return in ward	900	--
12.	Bank charges	750	--
13.	Taxes	425	--
14.	Discount	--	60
15.	Purchases	20000	--
16.	B/R	--	750
17.	Debtors	18900	--
18.	Creditors	--	6125
19.	Stock (1.4.2010)	12500	--
20.	Cash in hand	7000	--
21.	Bank Loan	--	515
		<b>100450</b>	<b>100450</b>

#### UNIT-IV

8. What is Receipts and Payment Accounts ? Why it is prepared?
9. The following is the Receipts and payments account of the jolly makers club in respect of the year ending March 31, 2011

Receipt	Rs.	Payments	Rs.
To Balance (1.4.10)	2050	By Salaries	4160
To Subscription		By Rates and taxes	1200
2009-10      80		By Stationery	800
2010-11     4220		By Telephone Expenses	200
2011-12     160	4460	By Investment in Govt. Securities	2500
To Profit on sports meeting	2850	By Sundry Expenses	1850
To Interest on Investment	2000	By Balance c/d (31-3-11)	900
To Sundry Receipt	250		
	<b>11610</b>		<b>11610</b>

The following additional facts are ascertained :

1. Stock of stationary on April 1, 2010 was Rs. 100 and on march 31, 2011 Rs. 180 .
2. Rates & taxes were prepaid to the extent of Rs. 400.
3. Telephone charges outstanding amounts to Rs. 75.
4. In 2009-10 subscription received in advanced amounted to Rs. 200 for current year and Rs. 180 were due on March 31, 2011.
5. On March 31, 2011 the building stood in the books at Rs. 20,000 & It is required to write off depreciation at 5%. Investment on March 31, 2010 were Rs. 4000.

You are required to prepare Income & Expenditure and Balance Sheet on that date.

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**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**