

Roll No.

Total No. of Pages : 04

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BBA (2012 & Onwards Batches)/Bachelor (SIM)/BRDM (2014 Batch)
(Sem.-1)

FINANCIAL ACCOUNTING

Subject Code : BBA-103

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** 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-A1. **Write briefly :**

- a. Explain the term Assets.
- b. Explain the rule of journalising of nominal accounts.
- c. Explain the imprest system of petty cash book
- d. Explain two reasons for difference between pass book and cash book.
- e. Explain errors of omission.
- f. Explain the principle of Conservatism.
- g. What is capital expenditure?
- h. Explain written down value method of depreciation.
- i. Difference between cash discount and trade discount.
- j. Explain the term "Legacy".

SECTION - B

UNIT - I

2. What do you mean by Accounting? Explain the nature and objectives of accounting.
3. What do you mean by double entry system of accounting? Explain the pros and cons of double entry system.

UNIT - II

4. A trial balance may be in balance but the accounts may be incorrect. How it is possible? Explain.
5. On 31st October 2007 the pass book of a trader showed the credit balance of Rs 50,355 which could not tally with cash book bank balance. On analysis following was discovered :
 - a. The cheque and drafts sent to the bank but not collected and credited amounted to Rs. 11850 till 31st October.
 - b. Three cheques drawn for Rs. 4500, Rs. 2250 and Rs. 3000 respectively were presented for payment on 5th November.
 - c. Bank has paid a bill payable amounting to Rs. 15000 but the same has not been entered in the cash book and a bill receivable of Rs. 7500 which was discounted with the bank was dishonoured by the drawee on due date.
 - d. The bank has charged Rs. 195 as it's commission for collecting outstation cheque and has allowed interest of Rs. 150 on the trader's balance.
 - e. The bank paid life insurance premium of Rs. 2500 under the instruction of the trader. It has not been entered in the cash book.
 - f. Interest on investments collected by bank and credited in the pass book amounted to Rs. 1250.
 - g. A cheque of Rs. 1850 paid in to bank but dishonoured.

Prepare bank reconciliation statement.

UNIT - III

6. Following is the trial balance of Raman Traders as on 31 Dec 2013

Dr.	Rs	Cr	Rs
Cash in hand	1,500	Sales	2,50,000
Cash at bank	3,000	Return outwards	2,000
Purchases	1,10,000	Capital	56,000
Returns inwards	1,500	Accounts payable	30,000
Wages	20,000		
Power and fuel	8,000		
Carriage outwards	6,000		
Carriage inwards	5,000		
Opening inventory	6,000		
Land	10,000		
Building	80,000		
Machinery	30,000		
Patents	15,000		
Salaries	12,000		
Sundry expenses	6,000		
Insurance	1,000		
Drawings	8,000		
Accounts payable	15,000		
	3,38,000		3,38,000

You are required to prepare trading and profit and loss account for the year ended 31 Dec 2013 and the balance sheet as on 31 Dec 2013.

Adjustments :

1. Closing inventory as on 31 Dec 2013 Rs 20,000.

2. Provision for bad and doubtful debt at 5% on debtors.
3. Outstanding salary Rs. 5,000 outstanding wages Rs. 3,000.
4. Depreciation 10% on all assets.
7. Explain the concept and nature of depreciation. What is the need of charging depreciation ?

UNIT - IV

8. Write short notes on :
 - a. Capital fund and endowment fund
 - b. Life membership fee and membership fee.
9. Explain the conversion of receipts and payments into an income and expenditure account.