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Total No. of Pages : 04

Total No. of Questions : 09

**BRDM(2014 & Onwards)**  
**Bachelor in Service Industry Management (SIM) (2014 & Onwards)**  
**BBA (2012 & Onwards Batches)**  
**(Sem.-1)**

**FINANCIAL ACCOUNTING**

**Subject Code : BBA-103**

**Paper ID : [C1123]**

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.

**SECTION-A**

**1. Write briefly :**

- a. What are source documents?
- b. What is principle of conservatism?
- c. What is error of principle?
- d. What is deferred revenue expenditure?
- e. Difference between provision and reserve.
- f. What is provision for bad debt and doubtful debts?
- g. What is sum of digit method of depreciation?
- h. What is subscription in non-profit organizations?
- i. Give 4 differences between receipt and payment account and income and expenditure account.
- j. What is money-measurement concept?

**SECTION-B**

**UNIT-I**

2. What are different subsidiary books? Give specimen of any 4 of them.

3. Prove that the accounting equation is satisfied in all the following transactions of Suresh :
- Commenced business with cash Rs. 60,000.
  - Rent paid in advance Rs. 500.
  - Purchased goods for cash Rs. 30,000 and credit Rs. 20,000.
  - Sold goods for cash Rs. 30,000 costing Rs. 20,000.
  - Paid salary Rs. 500 and salary outstanding Rs. 100.
  - Bought motor cycle for personal use Rs. 5,000.

#### UNIT-II

4. “*Trial Balance is just a proof of arithmetically accuracy*”. Comment.
5. From the following particulars prepare, a Bank Reconciliation Statement in the books of Sh. J.P. Kansal as on 30<sup>th</sup> June, 1994 :-
- Balance as per Pass Book on 30<sup>th</sup> June 1994 Rs 6,000.
  - Out of total cheques amounting to Rs. 37,500 drawn by Sh. Kansal, Cheques aggregating Rs. 5,000 were encashed in June 1994, Cheques aggregating Rs. 4,000 were encashed in July 1994 and the rest have not been presented at all.
  - Out of total Cheques amounting to Rs. 12,000 deposited, Cheques aggregating Rs. 7,500 were credited in June 1994, cheques aggregating Rs. 2,000 were credited in July, 1994 and the rest have not been collected at all.
  - Bank has charged Rs. 27 as its commission for collecting outstation cheques and has allowed interest Rs. 330 on his bank balance.
  - Amount wrongly debited by bank Rs. 2,400.
  - A cheque of Rs. 1,200 was entered in the Cash Book in June 1994, but was sent to the Bank in July 1994.
  - A cheque of Rs. 13,300 paid into the bank was returned dishonoured but no intimation was received from the bank till June 1994.

#### UNIT-III

6. Give accounting treatment of following, if given in :
- Trial Balance
  - if given in adjustments
    - Unexpired expenses
    - Accrued Incomes
    - Closing Stock
    - Goods lost by fire (*not insured*)
    - Depreciation

7. From the following Trial Balance of Sh. Ved Vyas, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> December, 1993 and Balance Sheet as on that date :

	<b>Dr. (Rs.)</b>	<b>Cr. (Rs.)</b>
Purchase and Sales	2,75,000	5,20,000
Return Inwards	15,000	
Returns Outwards		9,000
Carriage	12,400	
Wages and Salaries	58,600	
Trade Expenses	2,200	
Rent		13,000
Insurance	2,000	
Audit Fees	1,200	
Debtors and Creditors	1,10,000	62,100
B/R and B/P	3,300	2,200
Printing and Advertising	5,500	
Commission		1,000
Opening Stock	36,000	
Cash in hand	12,800	
Cash at Bank	26,800	
Bank Loan		20,000
Interest on Loan	1,500	
Capital		2,50,000
Drawings	15,000	
Fixed Assets	3,00,000	
<b>Total</b>	<b>8,77,300</b>	<b>8,77,300</b>

Adjustments :

- a. Stock at the end Rs. 60,000.
- b. Depreciate Fixed Assets by 10%.
- c. Commission earned but not received amounts to Rs. 400.
- d. Rent received in advance Rs. 1,000.
- e. Interest on Bank Loan @ 15% p.a. is unpaid for the last six months.
- f. Allow 8% interest on Capital and charge Rs. 900 as interest on Drawings.

### UNIT-IV

8. How would Non-Profit Organisation deal with the following items :
- Outstanding subscription.
  - Subscription received in advance.
  - Donations.
  - Tournament Fund.
  - Sale of an old asset.
9. The following particulars relate to Madura Club for the year ending 31-3-12 :

<b>RECEIPTS AND PAYMENTS ACCOUNT</b>			
<b>Receipts</b>	<b>Rs.</b>	<b>Payments</b>	<b>Rs.</b>
To Balance b/d	600	By Salaries	1,245
To Subscription :		By Stationary	240
Arrear                   24		By Rent and Taxes	360
Current                   1,266		By Telephone charges	60
Advance                   48	1,338	By Investments	750
To Profit from Canteen	900	By Advertisements	105
To General Incomes	45	By Postage	100
To Sale of Old Newspapers	112	By Sundry Expenses	350
To Dividends	485	By Balance c/d	270
	<b>3,480</b>		<b>3,480</b>

You are required to prepare an Income and Expenditure Account and a Balance Sheet after making the following adjustments :

- There are 450 members each paying Rs. 3 as annual subscription Rs. 27 being in arrears for 31-3-12 at the beginning of this year for subscription.
- Stock of stationery on 1-4-11 was Rs. 30 and on 31-3-12 Rs. 54.
- Cost of building is Rs. 6,000, to be depreciated by 5%.