

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

**BBA (2012 & Onwards Batches)**  
**BRDM/Bachelor in Service Industry Management (SIM) (2014 & Onwards)**  
**(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.
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. Write briefly :**

- a. Explain the concept of going concern.
- b. Explain accounting equation.
- c. Explain the rule of journalising of personal accounts.
- d. Explain compensating errors.
- e. Explain the term liabilities.
- f. Explain sum of the year digit method of depreciation.
- g. Explain the term depreciation.
- h. Explain deferred revenue expenditure.
- i. What is journal proper?
- j. Why subsidiary books are maintained?

## SECTION-B

### UNIT-I

2. Define accounting. What are the advantages and limitations of accounting?
3. What is a cash book? What are different types of cash books?

### UNIT-II

4. What is a trial balance? What are the objectives of preparing a trial balance?
5. From the following particulars, you are required to prepare bank reconciliation statement as on 30<sup>th</sup> September 2007.
  - a. Balance as per pass book (over drawn) Rs 46020 as on 30.09.2007.
  - b. Cheques drawn on 28.09.2007 but not cleared till 31<sup>st</sup> October 2007 Rs 24480.
  - c. Cheques received on 25<sup>th</sup> September entered in the cash book but not sent to bank for collection till 5<sup>th</sup> October 2007 Rs 65260.
  - d. A cheque of Rs 1750 received from a credit customer entered twice in the cash book.
  - e. Interest charged by the bank on over draft amounting to Rs 6475.
  - f. Bill receivable due on 30.9.2007 were sent to bank for collection on 25.9.2007 after recording entry in the cash book but the proceeds was not credited in the bank pass book till 5<sup>th</sup> October 2007 Rs 14900.
  - g. A quarterly life insurance premium paid by bank under the standing instructions not entered in the cash book Rs 450.
  - h. Cheque deposited on 30<sup>th</sup> September 2007 dishonoured but no entry was made in the cash book Rs 9450.

### UNIT-III

6. Explain the need of charging depreciation. What are the different methods of charging depreciation?
7. Prepare trading and profit and loss account and balance sheet from the following data Premier Traders for the year ended 31 Dec 2013.

| Particulars           | Debit (Rs) | Credit (Rs) |
|-----------------------|------------|-------------|
| Sales                 |            | 3,00,000    |
| Plant and machinery   | 1,20,000   |             |
| Rent and rates        | 20,000     |             |
| Sales return          | 30,000     |             |
| Freight               | 4,000      |             |
| Account receivable    | 70,000     |             |
| Opening inventory     | 1,20,000   |             |
| Purchase              | 2,30,000   |             |
| Discount paid         | 5,000      |             |
| Interest on bank loan | 5,000      |             |
| Salaries              | 70,000     |             |
| Cash in hand          | 5,000      |             |
| Purchase return       |            | 10,000      |
| Bank loan             |            | 1,50,000    |
| Capital               |            | 1,81,500    |
| Account receivables   |            | 40,000      |
| Bills payables        |            | 26,000      |
| Legal charges         | 500        |             |
| General expenses      | 8,000      |             |
| Cash at bank          | 20,000     |             |

### Adjustments :

1. Provision for bad and doubtful receivables @5% on accounts receivables.
2. Interest on bank loan outstanding Rs 7,000.
3. Closing inventory as on 31-12-2013 Rs 1,20,000

### UNIT -IV

8. Write short notes on :
  - a. Entrance fees and professional fees
  - b. Subscription in advance and subscription in arrears
9. Distinguish between income & expenditure account and receipts & payments account.