BBA–1073

B. B. A. (First Semester)

EXAMINATION, 2020

FINANCIAL ACCOUNTING

Time : Three Hours

Maximum Marks : 70

Note : Attempt questions from both Sections as directed.

Section—A .

(Short Answer Type Questions)

Note : Attempt any *seven* questions. Each question carries 4 marks.   7×4=28

1. Distinguish between book-keeping and accounting.

2. Describe the objectives of Accounting.

3. Describe the various branches of accounting.

4. Write a shot note on 'Cost Concept'.

5. Write the method of posting in ledger.

6. From the following particulars of July, 2020 of Beta Brothers, prepare cash book :

2020 July		₹
1	Opening Cash Balance	1,000
7	Received from Dinesh	2,000
10	Bought Furniture	500
12	Cash Sales	700
14	Cash Purchases	1,000
14	Received from Mohan	800
14	Paid Wages	400
14	Paid Salary	700

7. Give any *four* examples of errors of principle.

8. Give the format of Balance Sheet with imaginary figure.

9. Make the Profit & Loss Account on 31st March, 2020 :

	₹
Advertisement	1,200
Rent	10,000
Sales	60,000
Commission (Cr.)	1,500
Discount	1,000
Salaries	7,000
Freight outward	2,500
Insurance	3,000
Wages	1,500
Rates and Taxes	1,000
Gross Profit	25,000

10. Explain in short the causes of differences of BRS.

Section—B

(Long Answer Type Questions)

Note : Attempt any *three* questions. Each question carries 14 marks.   3×14=42

1. What do you understand by accounting principles ? Explain various accounting principles.

2. What do you understand by Two-column Cash Book ? Prepare a specimen of it and enter five hypothetical entries on both sides and then take out balance.

3. A company purchased a second-hand machine on 1st January, 2016 for ₹ 3,70,000 and immediately spent ₹ 20,000 on its repairs and ₹ 10,000 on its erection. On 1st July, 2017 it purchased another machine for ₹ 1,00,000. On 1st July, 2018, it sold off the first machine for ₹ 2,50,000 and bought another for ₹ 3,00,000. Depreciation was provided on the machinery at the rate of 10% per year on the original cost annually on 31st December. With effect from 1st January, 2019 the company changed the method of providing depreciation and adopted the written-down-value method, rate of depreciation being 15% per year.

Prepare Machinery A/c for four years (from 2016 to 2019).

4. Journalise the following transactions and post them into ledger and prepare a Trial Balance :

2019		₹
April 1	Started business with cash	2,00,000
May 10	Cash send to Bank	1,00,000
Jun. 25	Purchased goods on credit	50,000
July 30	Sold goods to 'A'	80,000
Aug. 30	Paid to creditors (for full settlement of Jun. 25)	49,000
Oct. 25	Received from 'A' in full settlement of the account	78,000
Dec. 27	Withdrew money for personal use	10,000
Feb. 25	Paid Commission	2,000
March 31	Paid Salary	5,000

5. On 31st Dec., 2019 the cash book of a merchant showed a bank overdraft of ₹ 1729.85. Prepare the BRS from the following information :

(a) Cheques issued for ₹ 600 were not presented in the bank till 5th January, 2020.

(b) Cheques amount ₹ 750 were deposited in the bank but were not collected.

(c) A cheque of ₹ 1,000 received from Umesh Chandra and deposited in the bank was dishonoured and advice of non-payment was not received from bank till 1st Jan., 2020.

(d) ₹.1,500 being proceeds of a bill receivable collected appear in the pass book but not in the cash book.

(e) Bank charges ₹ 150 and interest on overdraft ₹ 110 appear in the pass book but not in cash book.

(f) Interest on investment collected by the bank and credited in the pass book ₹ 110.

(g) Cheques of ₹ 400 issued but present in bank of ₹ 150 before 31st Dec., 2019.

(h) Out of ₹ 500 paid in by 'B' in cash and by cheques on 31st Dec. cheques amounting to ₹ 150 were collected on 2nd Jan., 2020.

(i) Cheques of ₹ 700 lodged in the bank in Dec. 2019, but not collected and credited till 3rd Jan., 2020.