Roll No.

Total No. of Questions: 09 **Total No. of Pages: 02**

BBA/Bachelor in Service Industry Management (SIM)/BRDM (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. **Attempt any one question from each UNIT in Section B. Each question carries TEN marks.**

SECTION A

1. Write short notes on:

a) What are the advantages of double entry system?

b) What do you mean by Contra entry?

c) What is capital expenditure?

d) How depreciation is charged under revaluation method?

e) What do you understand from separate entity concept?

f) What is trade discount?

g) What is Gross profit?

h) What are the limitations of receipts and payment account?

i) Nominal account

j) What do you mean by deferred revenue expenditure?

SECTION B

UNIT I

2. Briefly explain the accounting concepts that form the backbone of accounting.

3. How will you classify the accounts? State the rules of journal with respect to ach class of account.

UNIT II

4. Explain the reasons on account of which the balances shown in pass book does not tally with bank column of cash book.

5. What is a trial balance? Is the agreement of trial balance a conclusive proof of accuracy?

UNIT III

6. Differentiate between straight line method and diminishing balance method of charging depreciation. Explain your opinion on which method is better and why?

7. From the following trial balance of XYZ Ltd. Prepare trading and profit and loss account and balance sheet for the year were ending 31st December 2014.

Particulars	**Dr (Rs)**	**Particulars**	**Cr (Rs)**
Sundry debtors	50600	Sundry creditors	10000
Bills receivable	5000	Capital	70000
Plant and machinery	75000	Bad Debt Provision	350
Purchase	90000	Bills payable	5000
Freehold premises	50000	Reserves	20000
Salaries	11000	Sales	231700
Wages	14400		
Postage and stationary	750		
Carriage inward	750		
Carriage outward	1000		
Bad debts	950		
General charges	1500		
Bank	5300		
Cash	800		
Opening stock	30000		
	337050		**337050**

Also consider following adjustments:

a) Allow 5% interest on capital
b) Bad debt provision @ 2.5% on sundry debtors
c) Closing stock was valued at Rs. 31000.
d) Depreciation on plant and machinery is 20% and free hold premises is 10%.

UNIT IV

8. Describe the method of preparing income and expenditure account from receipts and payment account.

9. Distinguish between receipts and payment account and income and expenditure account.