Roll No. | | | | | | | | | | | | | **Total No. of Pages: 04**

Total No. of Questions: 09

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

FINANCIAL ACCOUNTING

M Code: 10540
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. **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 A

1. Write short notes on the following:

   a) Define accounting

   b) Rules of double entry system

   c) Separate entity concept

   d) What is ledger?

   e) Cash discount and trade discount

   f) Capital expenditure

   g) Provision

   h) Outstanding expenses

   i) Trial Balance

   j) Balance Sheet

SECTION B

Unit I

2. Explain the different accounting concepts with examples

OR

3. Pass the following journal entries

   a) Goods purchased from Ram in cash Rs 500.

   b) Sold goods to sham list price Rs 2000 trade discount 10%.

   c) Mr. Sham who owed us Rs. 8000 is declared insolvent and 60 paise in rupee is received as final divided from his estate.

   d) Paid advertisement Rs 12000 and $1/3^{rd}$ is related to next year.

   e) Purchased machinery for Rs 18000 from IBM and paid for cartage Rs 2000.

Unit II

4. Is trial balance a conclusive proof of the books of account? It not, what are the errors which remain undetected in spite of its agreement.

OR

5. From the following particulars prepare a Bank Reconciliation Statement as at December 31, 2011:

a)	Overdraft as per Pass Book (On $3l^{st}$ December, 2011).	13,880
b)	Interest on overdraft for six months ending 31^{st} December, 2011	240
c)	Bank charges debited in Pass Book only	60
d)	Cheques issued but not yet presented to the bank by the customers	2,300
e)	Cheques paid into the bank but not cleared by the bank yet	4,340
f)	A Bill Receivable (discounted with the bank in November) dishonoured on 31^{st} December, 2011	1,000

Unit III

6. What is the need of charging depreciation? Explain Written Down Value method along with its merits and demerits.

OR

7. Prepare Trading and Profit and Loss account for the year and Balance Sheet as from the following particulars as on 31st December 2005.

Debit balances	**Rs**	**Debit Balances (Continued)**	**Rs**
Cash in hand	1,500	Bills receivable	3,000
Purchases	12,000	**Credit balances:**	
Returns inwards	1,000	Capital	10,000
Establishment charges	2,500	Bank overdraft	2,000
Taxes and insurance	500	Sales	15,000
Bad Debts	500	Returns outward	2,000
Debtors	5,000	Bad debts reserve	1,000
Investment	4,000	Creditors	1,850
Opening stock	3,000	Commission	500
Drawings	1,400	Bills payable	2,500
Furniture	600	Collected sales tax	150

Further, you are required to take into consideration the following information:

a) Salaries Rs 100 and Taxes Rs 400 are outstanding but insurance Rs. 50 is prepaid

b) Commission amounting to Rs.100 has been received in advance for work to be done next year.

c) Interest accrued on investment Rs. 210.

d) Bad debts reserve is to be maintained at Rs. 1,000.

e) Depreciation on furniture is to be charged at 10%.

f) Stock on 31st December, 2005 was valued at Rs. 4,500.

Unit IV

8. Distinguish between a Receipt and payments account and an income and expenditure Account.

OR

9. From the following Receipts and Payments Account, prepare the Income and expenditure Account for the year 31st December 2012:

Receipts	Rs	Payments	Rs
To Balance b/d	10,000	By Rent (including Rs 1,500 for 2011	6,000
To Entrance Fees:		By insurance Premium	6,000
2011	1,000	(including Rs 1,500 for 2013)	
2012	5,000	By Sports Materials	5,000
To Subscriptions:		By Sports Equipment	6,000
2011	1,000	(Purchased on 31.12.2012)	
2012	9,000	By 8% Fixed Deposits	12,000
2013	500	(made on 1.7.2012)	
To Life, Membership Subscription	2,000	By Tournament Expenses	1,000
		By Purchase of Books	2,000
To Donations	12,000	By Postage Stamps	500
To Donation for Tournament	5,000	By Printing and Stationery	1,500
To Subscription for Governor's Party	1,500	By Newspapers and Periodicals	2,000
		By Balance c/d	6,000
To Interest on 8% Fixed Deposit	240		
To Sale of Old Sports Materials	30		
To Sale of Old Sports Equipment.	50		
(Book Value Rs 120)			
To Locker Rents	500		
(including Rs 60 for 2011)			
To Sale of Old Newspapers & Periodicals	180		
	48,000		48,000