Roll No. ☐☐☐☐☐☐☐☐☐☐☐☐ **Total No. of Pages : 03**

Total No. of Questions : 09

BBA / BBA (SIM) (Sem.–1)

BASIC ACCOUNTING

Subject Code : BBA-102-18

M.Code : 75083

Date of Examination: 12-01-2026

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) State any two major objectives of financial accounting and briefly explain their importance.

b) What is the role of Accounting Standards in enhancing the comparability of financial statements?

c) Differentiate between book keeping and accounting.

d) What is the rule of debit and credit for a nominal account? Give one transaction as an example.

e) What is the role of a trial balance in detecting errors in the accounting process?

f) What is the format for preparing the Profit and Loss Account for a sole proprietorship business?

g) Why is depreciation charged in financial accounting?

h) Explain the concept of "Authorized Capital" in a company's financial statements.

i) How do these provisions of Company's Act ensure transparency and accountability?

j) What is the significance of the 'Profit and Loss Appropriation Account' in the final accounts of a company?

SECTION - B

UNIT - I

2. Discuss in detail the accounting concepts and conventions commonly used in financial accounting. Support your answer with suitable examples.

3. Identify the major users of financial accounting information. How does financial accounting meet their needs for decision-making and planning?

UNIT - II

4. **Classify the following accounts into personal, real and nominal and apply the correct rules of debit and credit for each:**

   Capital

   Building

   Commission received

   Prepaid insurance

   Loan from bank

   Machinery

   Interest paid

   Rent outstanding

   Stock

   Cash

   Explain how these classifications influence the journalizing and posting process. Use examples to show practical application in journal entries.

5. Critically evaluate the role of subsidiary books in the accounting process. How do they improve accuracy and efficiency compared to a general journal? Support your answer with a comparative example involving at least two types of subsidiary books (e.g., Purchases Book, Sales Book) and explain how they would be used in a business scenario.

UNIT - III

6. What is a Bank Reconciliation Statement and why is it prepared? A business maintains its books of accounts under the cash book system. The following information is provided for XYZ Ltd. as on 31st March 2025:

   Balance as per the Cash Book: Rs. 50,000

   Bank charges not recorded in the Cash Book: Rs. 500

   Cheque deposited but not yet cleared: Rs. 10,000

   Direct deposit made by a customer: Rs. 8,000 (not recorded in the Cash Book)

   Unpresented cheques: Rs. 12,000

   Balance as per the Pass Book: Rs. 60,000

   Prepare a Bank Reconciliation Statement as on 31st March 2025.

7. Depreciation is an important concept in financial accounting. Explain the various methods of calculating depreciation. Also, illustrate the application of the Straight-Line Method and Diminishing Balance Method with an example for machinery worth Rs. 100,000 with an estimated useful life of 5 years and a scrap value of Rs. 10,000.

UNIT - IV

8. Explain the process and structure involved in the preparation of final accounts of a company. Discuss the importance of the Balance Sheet, Profit and Loss Account and the Cash Flow Statement in the final accounts of a company.

9. Explain the role of accounting software packages in modern business operations. Discuss their key features, advantages and how they contribute to enhancing financial management, decision-making and overall business efficiency.

NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC against the Student.