

Seat No.	
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**B.B.A. (Semester - I) (CBCS) Examination Mar/Apr-2018**  
**FINANCIAL ACCOUNTING**

Time: 2½ Hours

Max. Marks: 70

**Instructions:** 1) All questions are compulsory.  
 2) Figures to the right indicate full marks.

**Q.1 A) Select correct alternative:** **07**

- 1) \_\_\_\_\_ refers to the amount used by proprietor from business.
 

a) Capital	b) Assets
c) Drawings	d) Profit
- 2) Concept which provides a line between present & future is known as \_\_\_\_\_.
 

a) Going Concern	b) Cost Concept
c) Accrual Concept	d) Entity Concept
- 3) A commodity in which a trader deals is known as \_\_\_\_\_.
 

a) Property	b) Goods
c) Assets	d) Liabilities
- 4) Salary paid to Mandar should be debited to \_\_\_\_\_.
 

a) Mandar A/c	b) Salary A/c
c) Expenses A/c	d) Cash A/c
- 5) \_\_\_\_\_ refers to the list of all debit & credit balances.
 

a) Summary	b) Journal
c) Ledger	d) Trail Balance
- 6) \_\_\_\_\_ is ascertained after preparing trading Account.
 

a) Gross Profit/Loss	b) Net Profit/Loss
c) Assets	d) Liabilities
- 7) According to \_\_\_\_\_ Concept, business should be treated separately from businessman.
 

a) Entity	b) Accounting Period
c) Realization	d) Dual Aspect

**Q.1 B) Fill in the blanks.** **07**

- 1) In SLM of depreciation amount of depreciation remains \_\_\_\_\_.
- 2) The amount of money realized at the end of working life of asset \_\_\_\_\_.
- 3) An entry recorded on both side of cash book is called \_\_\_\_\_.
- 4) Patents are \_\_\_\_\_ type of account.
- 5) \_\_\_\_\_ discount is given by seller to buyer to encourage early payment of cash.
- 6) According to \_\_\_\_\_ convention closing stock is recorded at market price and cost price whichever is less.
- 7) A prepaid expense is \_\_\_\_\_ account.

**Q.2 Attempt any two questions:**

- a) Mahesh Industries purchased a Machinery of Rs. 4,00,000/- on 1<sup>st</sup> April, 2010.  
On 1<sup>st</sup> Oct 2010 additional machinery was purchased for Rs.1,50,000/-  
On 1<sup>st</sup> Oct 2011 firm sold Machinery had on 1<sup>st</sup> April 2010 for Rs. 3,00,000/-.  
The firm provides depreciation @15% p.a. under straight line method on 31<sup>st</sup> March every year.

Prepare Machinery account for three years i.e. 2010-11, 2011-12, 2012-13.

- b) From the following ledger balances of Mr. Suresh you are required to prepare Trial Balance as on 31/03/2012.

Particular	Rs.	Particular	Rs.	Particular	Rs.
Goodwill	40,000	Plant & Machinery	1,60,000	Patents	36,000
Carriage	17,200	General Expenses	2,800	Electricity & Lighting	12,000
Debtors	48,000	Advertisement	6,000	Bank Loan	2,00,000
Trade Expenses	1,200	Furniture	28,400	Wages	56,000
Capital	2,00,000	Purchases	1,18,000	Opening Stock	41,600
Creditors	82,000	Building	2,13,200	Printing & Stat.	8,400
Sales	3,00,800	Commission (Dr.)	1,600	Interest on Bank Loan	8,000
Discount (Dr.)	1,600	Cash in Hand	2,000	Bills Payable	19,200

- c) Accounting Concept

**Q.3 Attempt any two questions:**

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- a) From the following transaction prepare necessary ledger accounts

**2011 May**

1. Mr. Ganesh started business with cash Rs. 16,000/-
2. Cash Sales Rs.6,000/-
3. Goods purchased for cash Rs. 4,000/-
5. Purchased Machinery on credit from Sanjay Traders Rs. 34,000/-
6. Paid cash to Rohan Traders Rs. 10,000/-

- b) Branches of accounting.

- c) Subsidiary books

**Q.4 Attempt any one Question.**

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- a) Journalize the following transactions in the books of Mr. Smart for the month of August 2015

**2015**

Aug 1 – Mr. Smart started business with Cash Rs. 15,000/-, Furniture Rs. 10,000/- and Machinery Rs.15,000/-

Aug 2 – Purchased goods of Rs. 11,000/- from Rajesh

Aug 4 – Sold goods on credit to Karan for Rs.15,000/-

Aug 8 – Goods of Rs.400/- being defective returned by Karan

Aug 10 – Remitted Cash to Rajesh Rs.10,600/- in full settlement of his accounts.

Aug 19 – Purchased furniture from Royal Furniture worth Rs.10,000/-. Paid half amount immediately by cash.

Aug 21 – Purchased a machinery for Rs. 8000/- and paid installation Rs. 200/-

Aug 24 – Withdrawn from bank Rs. 4000/- for personal use.

Aug 27 – Received cheque from Karan for his amount due.

Aug 28 – Paid for Advertisement Rs. 1000/-

Aug 29 – Paid for Conveyance expenses Rs. 1000/-

Aug 30 – Received commission by cheque Rs.5000/-

Aug 31 – Sold goods for cash Rs. 8000/-

**OR**

- b) From the following particulars write up a Three Column Cash Book of Mr. Rajeev 14

May 1 - Cash in hand Rs. 40,000/-, Cash at Bank Rs. 30,000/-  
 May 3 - Goods sold for Cash Rs. 9,000/-  
 May 5 - Goods sold for Cash Rs. 18,000/-  
 May 8 - Received Cheque from Mr. Sharma Rs. 19,300/- in full settlement of his dues Rs. 19,600/- and deposited into bank.  
 May 11 - Paid to Mr. Verma Cash Rs. 10,000/- and cheque for Rs. 9,400/- in full settlement of his dues of Rs. 20,000/-  
 May 15 - Cash Received from Mr. Jadhav Rs. 9,800/- in full settlement of his dues of Rs. 10,000/-  
 May 20 - Bank credited Interest Rs. 750/-  
 May 24 - Purchased Goods worth Rs. 10,000/- half paid by cheque and half paid by cash  
 May 26 - Purchased Furniture worth Rs. 7,500/- and paid by cheque.  
 May 30 - Paid Salary worth Rs. 3000/-  
 May 31 - Bank debited Rs. 350/- towards annual charges.

**Q.5 Attempt any one question.**

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- a) From the following Trail Balance of M/s Hind Traders, you are required to prepare a Trading, Profits & Loss Account for the year ended on 31<sup>st</sup> March, 2012 and Balance sheet as on that date

**Trail Balance as on 31/03/2012**

Particulars	Debit Rs.	Credit Rs.
Insurance	1,000	
Discount	500	400
Postage and Telegram	1,500	
<b>Salaries</b>	28,000	
<b>Debtors &amp; Creditors</b>	33,000	34,000
Wages	12,000	
Opening stock	20,000	
Carriage	4,500	
Returns	2,800	4,600
Purchase & Sales	96,600	1,50,800
10% Bank Loan		60,000
<b>Plant &amp; Machinery</b>	20,000	
<b>Buildings</b>	80,000	
Drawings	4,000	
Capital		50,000
Office Rent	2,000	
<b>RDD</b>		1,000
Bad debts	600	
Bank Overdraft		9,200
Cash	3,500	
<b>Total</b>	<b>3,10,000</b>	<b>3,10,000</b>

**Adjustments:-**

- 1) Closing Stock was valued at Rs. 32,000/-
- 2) Depreciate Machinery by 10% and building by 5%
- 3) Wages includes Rs. 2,000/- paid to worker as advance
- 4) Salary Rs. 2000 and office rent Rs. 4,000/- were outstanding
- 5) Create RDD on debtors 1400/-

**OR**

- b) Explain the concept of depreciation. What are the various causes of depreciation also explain the types of depreciation. 14