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6004

First Semester Five Year B.B.A.LL.B. Examination, December 2019
FINANCIAL ACCOUNTING
(2018 and 2019 Batch) (New)

Duration : 3 Hours Max. Marks : 80

Instructions : 1. Answer **all five** Units.

2. One essay type question and short note/problems is **compulsory** from **each** Unit.
3. Figures to the **right** indicate marks.
4. Answers should be written in **English** only.
5. Use simple calculator only.

UNIT – I

Q. No. 1. (a) State the account to be debited and the account to be credited for each of the following : Marks : 10

a) Commenced business with Rs. 20,000
b) Purchased goods from X Rs. 4,000 on credit
c) Purchased goods from Y Rs. 2,000 for cash
d) Paid cash Rs. 1,600 to X on account
e) Returned goods worth Rs. 200 to X.
f) Purchased furniture from Z Rs. 600 on credit
g) Purchased machinery for cash Rs. 1,000
h) Sold goods to A Rs. 1,800 on credit
i) Sold goods to B Rs. 200 for cash
j) Received cash Rs. 800 from A on account
k) A returned good worth Rs. 100
l) Paid salary Rs. 1,400 to accountant
m) Paid landlord office rent Rs. 300
n) Paid wages Rs. 160
o) Paid for stationery purchased Rs. 40
p) Paid advertisement charges Rs. 240
q) Received interest on bank deposit Rs. 500

P.T.O.

r) Received dividend on shares Rs. 60

s) Received commission of Rs. 400

t) Withdrawn cash Rs. 200 for personal expenses.

OR

(a) What do you mean by Accounting concepts and Accounting conventions ? Explain.

(b) What are the objectives of book keeping ? Marks : 6

OR

(b) Write a short note on "Accounting Standards".

UNIT – II

Q. No. 2. (a) Journalise the following transaction. Marks : 10

			(Rs.)
2016 November	01	Business started with i) Cash	1,50,000
		ii) Goods	50,000
	03	Purchased goods from Harish	30,000
	05	Sold goods for cash	12,000
	08	Purchased furniture for cash	5,000
	10	Cash paid to Harish on account	15,000
	13	Paid sundry expenses	200
	15	Cash sales	15,000
	18	Deposited into Bank	5,000
	20	Drew cash for personal use	1,000
	22	Cash paid to Harish	14,700
		in full settlement of his account	15,000
	25	Goods sold to Nitesh	7,000
	26	Cartage paid	200
	27	Rent paid	1,500
	29	Received cash from Nitesh	6800
		Discount allowed	200
	30	Salary paid	3,000

OR

(a) Prepare Three column cash book from the following transaction of M/s Vinayaka Enterprises for the month of January 2017.

Date		Particulars	Amount (Rs.)
2017	01	Cash in hand	4,000
January		Bank overdraft	3,200
	05	Cash sales	9,000
	07	Purchased goods by cheque	2,000
	09	Purchased furniture for cash	2,200
	11	Cash paid to Mr. Rohit	2,000
	14	Deposited into bank	7,000
	16	Bank charged interest on overdraft	200
	25	Sale of goods for cheque and sent to bank immediately	3,000
	27	Rent paid by cheque	800
	28	Paid wages by cheque	500
	29	Drew cash for personal use	500
	30	Paid salary	1,000
	31	Interest collected by bank	1,700

(b) What is cash book ? State its features. Marks : 6

OR

(b) What is the meaning of trial balance ? Why is it prepared ?

UNIT – III

Q. No. 3. (a) Prepare financial statements for the year ending on 31st December 2012 from the following trial balance and adjustment. Marks : 10

Name of the accounts	Debit (Rs.)	Credit (Rs.)
Drawings and capital	15,000	50,000
Purchases and sales	40,000	70,000
Returns	2,000	3,000
Wages	4,000	–

Salaries	8,000	–
Debtors and creditors	12,000	10,000
Bills receivable and payable	5,000	4,000
Furniture	15,000	–
Opening stock	13,000	–
General expenses	3,000	–
Insurance	1,000	–
Cash and bank balance	19,000	–
	1,37,000	**1,37,000**

Adjustments :

a) Closing stock Rs. 20,000

b) Insurance prepaid Rs. 200

c) Provide for doubtful debts @ 5%

d) Depreciate furniture by 10% p.a.

OR

(a) From the following trial balance of Malini as on 13-12-1976 prepare final accounts.

Name of accounts	**Amount (Dr.) (Rs.)**	**Amount (Cr.) (Rs.)**
Capital account	–	1,20,000
Drawing account	15,000	
Bills receivable	22,000	
Machinery	20,000	
Debtors and creditors	60,000	58,000
Wages	39,000	
Purchases and sales	2,52,000	3,55,000
Commission		5,500
Rent and taxes	6,000	
Stock on 1-1-1976	90,000	
Salaries	10,500	
Travelling expenses	2,000	
Insurance	600	
Repairs	3,400	

Bad debts	3,500	
Furniture	9,000	
Returns	5,000	2,000
Cash in hand	500	
Cash at bank	2,000	
	5,40,500	**5,40,500**

Adjustments :

1) Stock on hand on 31-12-1976 was Rs. 1,00,000
2) Create 5% provision for debtors
3) Prepaid insurance amount to Rs. 100
4) Commission earned but not received amounts to Rs. 500
5) Wages and salaries are unpaid to the extent of Rs. 1,000 and Rs. 1,500 respectively
6) Depreciate machinery by 5% and furniture by 10% per annum.

(b) What do you mean by bad debts and doubtful debts ? Mark : 6

OR

(b) What is depreciation ? How it is treated in the books ?

UNIT – IV

Q. No. 4. (a) P draws a bill on Q for Rs. 1,000 and Q accepts the same and returns it to P who endorses it over to R. Then R endorses it to S who discounts the bill for Rs. 980 with his bankers. Before the due date Q approaches P and requests him to receive cash Rs. 500 and to draw a new bill for Rs. 550 to renew the old bill. P agrees to these proposals and also to take up the first bill on due date.
Pass the Journal entries in the books of P, Q, R and S. Marks : 10

OR

(a) 'A' drew a bill on 'B' for Rs. 2,000. B accepted the same and returned it to 'A' who endorsed it over to 'C' and 'C' endorsed it over to 'D'. 'D' then discounted the bill for Rs. 1,900 with his bankers. On the due date the bill was dishonoured. Noting charges incurred by the bankers amounted to Rs. 20.
Pass the journal entries in the books of all the parties assuming that the bill was taken up by A on dishonour.

(b) What do you mean by acceptance of bills and endorsement of bills ? Marks : 6

OR

(b) Define bills of exchange. What are the main advantages of bills of exchange ?

UNIT – V

Q. No. 5. (a) From the following Receipt and Payment Account for the year ending 31-03-2015 of Nagi's Club. Prepare Income and Expenditure Account for the same period. Marks : 10

Receipt Dr.	**Amount (Rs.)**	**Payment Cr.**	**Amount (Rs.)**
To Balance b/d bank	25,000	By Purchase of furniture (1-7-14)	5,000
To Subscriptions 2014 – 1,500 2015 – 10,000 2016 – 500	12,000	By Salaries By Telephone expenses By Electricity charges	2,000 300 600
To Donation	2,000	By Postage and stationery	150
To Hall rent	200	By Purchase of books	2,500
To Interest on bank deposits	550	By Entertainment expenses	900
To Entrance fees	1,000	By Purchase of 5% Government papers (1-7-14)	8,000
		By Miscellaneous expenses	600
		By Balance c/d : Cash Bank	 300 20,400
	40,750		**40,750**

The following additional information is available :

i) Salaries outstanding – Rs. 1,500

ii) Entertainment expenses outstanding – Rs. 500

iii) Bank interest receivable Rs. 150

iv) Subscriptions accrued Rs. 400

v) 50% of entrance fees is to be capitalised.

vi) Furniture is to be depreciated at 10% p.a.

OR

(a) Explain the basic features of Income and Expenditure account and of Receipt and Payment account.

(b) Write a short note on Capital expenditure and Revenue expenditure. Marks : 6

OR

(b) Write a short note on non-profit organisation.
