6004

First Semester 5 Years B.B.A., LL.B. Examination, March/April 2021
FINANCIAL ACCOUNTING

Duration : 3 Hours

Max. Marks : 80

Instructions : 1. Answer any five Questions from group (a) each question carries 10 marks.

2. Answer any five Questions from group (b) each question carries 06 marks.

3. Answers should be written in English.

Q. No. 1. (a) What are the types of accounts under English system ? Classify the following account into personal accounts, real accounts and nominal accounts. Marks : 10

1) Capital A/c
2) Purchases A/c
3) Cash A/c
4) Salary A/c
5) Vehicle A/c
6) Infosys Ltd. A/c
7) Salary Payable A/c
8) Vishwas A/c
9) Commission receivable A/c
10) Canara Bank A/c
11) Building A/c
12) Goodwill A/c
13) Patent A/c

P.T.O.

14) Stationary A/c

15) Interest A/c

16) Bank charges A/c

17) Sales A/c

18) Advertisement A/c.

Q. No. 1. (b) "Accounting is the art as well as a science". Explain. Marks : 6

Q. No. 2. (a) Distinguish "Accounting Concepts" and "Accounting Conventions". Marks : 10

Q. No. 2. (b) Analyse the following transactions by applying the rules of debit and credit under English system of accounting. Marks : 6

1) Commenced business with cash Rs. 50,000.

2) Bought goods from Ranga on credit Rs. 50,000.

3) Purchased furniture for cash Rs. 10,000.

4) Cash sales to Ananth Rs. 3,000.

5) Received interest of Rs. 1,000 from Abhay.

Q. No. 3. (a) Record the following transactions in three column cash book and balance it. Marks : 10

2017 August	Details	Amount (Rs).
1	Cash balance	15,000
	Bank balance	10,000
3	Paid insurance premium by cheque	4,200
8	Cash sales	22,000
9	Payment for cash purchases	21,000
10	Cash deposited into bank	15,000
14	Withdrawn from bank for personal use	6,000

16	Withdrawn from bank for office use	14,500
23	Received cash from Michel and	6,850
	Discount allowed	150
25	Cheque received from Kumar	4,500
31	Rent paid by cheque	4,000

Q. No. 3. (b) Explain the importance of journal in accounting system. Marks : 6

Q. No. 4. (a) Journalise the following transactions in the books of Mr. Goudar. Marks : 10

2016 December	Details	Amount (Rs).
1	Business started with cash	1,20,000
2	Opened bank account with ICICI	40,000
4	Goods purchased for cash	12,000
10	Paid cartage	500
12	Goods sold on credit to M/s Lara India	25,000
14	Cash received from M/s Lara India on A/c	10,000
16	Goods returned from M/s Lara India	3,000
18	Paid trade expenses	700
19	Goods purchased on credit from Taranum	32,000
20	Cheque received from M/s Lara India for final settlement and deposited same into bank	11,500
	Discount allowed	500
22	Goods returned to Taranum	1,500
24	Paid for stationary	1,200
26	Cheque given to Taranum on account	20,000
28	Paid rent by cheque	4,000
29	Drew cash for personal use	10,000
30	Cash sales	12,000
31	Goods sold to M/s Puspak Traders	11,000

Q. No. 4. (b) State the objectives of cash book. Marks : 6

Q. No. 5. (a) The following are the balances extracted from the books of Mr. Manju as on 31-12-1989. Marks : 10

	Rs.		Rs.
Manju's capital	30,000	Wages	15,000
Interest (Dr.)	750	Stock (1-1-1989)	4,500
Office rent	250	Salaries	3,500
Taxes and insurance	200	Bills payable	3,000
Machinery and plant	10,000	Loose tools	500
Sundry debtors	25,000	Cash in hand	400
Bills receivables	2,500	Stock of books	250
Sundry creditors	15,000	Office expenses	350
Bank overdraft	1,000	Sales	48,200
Business premises	28,000	Purchases	21,000
Loan (Cr.)	15,000		

The stock at close was Rs. 6,000. Wages and salaries were outstanding to the extent of Rs. 100 and Rs. 75 respectively. Insurance prepaid amounted to Rs. 25.

Prepare the Final accounts for the year ending 31-12-1989.

Q. No. 5. (b) What do you mean by financial statements ? Marks : 6

Q. No. 6. (a) From the following trial balance and the adjustments given below prepare the final account of Mr. Sunil. Marks : 10

Sl. No.	Name of Accounts	Dr.	Cr.
1	Capital	–	56,000
2	Drawings	6,000	–
3	Purchases	30,000	–
4	Sales	–	65,000

5	Stock on 1-1-2010	24,000	–
6	Machineries	16,000	–
7	Building	40,000	–
8	Wages	4,000	–
9	Cash	2,000	–
10	Cash at bank	4,600	–
11	Bills receivable	7,000	–
12	Debtors	17,000	–
13	Bills payable	–	10,000
14	Creditors	–	28,000
15	Insurance	1,450	–
16	General expenses	3,200	–
17	Salary	3,400	–
18	Commission	1,350	–
19	Interest	–	1,000
		1,60,000	**1,60,000**

Adjustments :

a) Stock on 31-12-2010 was valued at Rs. 30,000.

b) Depreciate machinery at 10%.

c) Allow interest on capital at 5% p.a.

d) Outstanding wages Rs. 1,500.

e) Prepaid insurance Rs. 450.

f) Make provision for doubtful debts at 5% on debtors.

Q. No. 6. (b) State the meaning of balance sheet. Marks : 6

Q. No. 7. (a) On 1-1-2012 Dhanpal bought goods worth of Rs. 2,000 from Bhupal and accepted a four months bill in settlement. On 1-2-2012 Bhupal bought goods worth Rs. 4,000 from Narapal and in payment he handed Narpal. Dhanpal's acceptance and paid cash Rs. 1,950. Narpal allowing Rs. 50 by way of discount. On the due date Dhanpal dishonoured his acceptance.

Pass the journal entries in the books of Bhupal, Dhanpal and Narpal. Marks : 10

Q. No. 7. (b) Define bills of exchange. State its essentials. Marks : 6

Q. No. 8. (a) On 1-1-2012 A draws a bill on B at 3 months for Rs. 2,000 and B draws on A a bill for a similar amount and term. Both the bills are accepted and discounted at 20% p.a. each by the respective parties. B meets his own acceptance on maturity. But A's acceptance is dishonoured A then accepts a new bill at 2 months for the amount due by him including interest Rs. 100. The new bill is duly met on the due date.

Pass the journal entries in books of both the parties. Marks : 10

Q. No. 8. (b) Distinguish between accommodation bill and trade bill. Marks : 6

Q. No. 9. (a) From the following information given in respect of certain items of a sports club. Show these items in the income and expenditure account and balance sheet of the club. Marks : 10

	Rs.
Sports fund as on 1-4-2005	35,000
Sports fund investment	35,000
Interest on sports fund	4,000
Donations for sports fund	15,000

Sports prizes awarded	10,000
Expenses on sports events	4,000
General fund	80,000
General fund investments	80,000
Interest on general fund investments	8,000

Q. No. 9. (b) Write a short note on "Non-profit Organisation". Marks : 6

Q. No. 10.(a) Distinguish between "Income and Expenditure Account" and "Receipts and Payments Account". Marks : 10

Q. No. 10.(b) What is subscription ? How is it calculated ? Marks : 6