First Semester 5 Year B.B.A.,LL.B./B.Com.,LL.B. Examination, Oct./Nov. 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 6 marks.
3. Answer should be written only in English.
4. Use a simple calculator.

Q. No. 1. a) Give the meaning of accounting. Explain the functions of accounting. Marks : 10

Q. No. 1. b) Explain the accounting conventions. Marks : 6

Q. No. 2. a) Mr. Ashok is a sole trader. From the following transactions, pass journal entries for the month of January 2018. Marks : 10

Jan. 2018

01	Commenced business with cash Rs. 1,00,000, with goods Rs. 2,00,000 and buildings Rs. 5,00,000
02	Purchased goods from B and Co. on credit Rs. 3,00,000
03	Cash deposited into bank Rs. 80,000
05	Salaries paid in cash Rs. 10,000
08	Paid B and Co. by cheque for the purchases made on 2nd Jan.
09	Sold goods to D and Co. on credit Rs. 10,000.
10	Building purchased from Kumar and Co. for Rs. 1,00,000 and an advance of Rs. 20,000 is given in cash.
11	Paid for stationery Rs. 5,000.
12	Received a cheque from D and Co. in full settlement and deposited the same in bank Rs. 9,000.
15	Cash withdrawn from bank for office use Rs. 5,000.

Q. No. 2. b) Write a note on journal. Marks : 6

Q. No. 3. a) What are subsidiary books ? Explain the features and advantages of subsidiary books. Marks : 10

Q. No. 3. b) Difference between credit note and debit note. Marks : 6

Q. No. 4. a) Prepare a three column cash book from the following transactions : Marks : 10

June 2018

01	Cash in hand Rs. 800, cash at bank Rs. 3,365.
03	Paid James and Co. by cheque Rs. 1,175 discount received from him Rs. 25.
05	Received from David and Co. a cheque amounting to Rs. 990, discount allowed to him Rs. 10.
07	Deposited into bank the cheque received from David and Co.
10	Purchased stationery for cash Rs. 1,280.
15.	Purchased goods for cash Rs. 1,280.
16	Deposited into bank Rs. 1,250.
18	Withdrawn from bank for personal expenses Rs. 100.
21	Drew from bank for personal use Rs. 420.
25	Bought furniture for cash Rs. 350.
26	Paid salaries by cheque Rs. 760.

Q. No. 4. b) Explain the different types of cash book. Marks : 6

Q. No. 5. a) The following are the balances taken on 31st Dec. 2007 from the books of Mr. Muniz : Marks : 10

Particulars	Rs.	Particulars	Rs.
Capital	35,000	Printing and stationery	325
Drawings	2,400	Bad debts	150
Bills receivable	8,200	Purchases	50,600
Plant and machinery	19,600	Sales	84,870
Advertising	1,200	Sales tax	1,875
Commission (Cr.)	360	Sundry debtors	24,200
Wages	11,600	Sundry creditors	15,300
Discount allowed	160	Stock (1st Jan. 2007)	7,965
Railway Freight on purchases	340	Trade expenses	190
Return inwards	930	Rent	1,650
Cycles	375	Insurance	400
Salaries	7,500	Cash in hand	180
Rates and taxes	250	Bank OD	5,760
		Type-writer	1,200

Prepare Trading and Profit and Loss Account for the year ended 31st Dec. 2007 and Balance Sheet as on that date after taking into consideration the following :

a) Depreciation is to be charged as follows :

Plant and machinery 5% and Type-writer 10%.

b) Commission earned but not received Rs. 140.

c) Provide for the following outstanding items :

i) Printing Rs. 75 and

ii) Rent Rs. 150.

d) Charge 5% interest on capital.

e) Stationery on hand at the end of the year Rs. 50.

f) Stock on 31st Dec. 2007 was valued at Rs. 12,666.

Q. No. 5. b) How do you treat the following adjustments in the final accounts : Marks : 6

1) Interest on capital.

2) Goods withdrawn by the proprietor for his personal use.

3) Goods distributed by a concern as free samples.

Q. No. 6. a) On 31st Dec. 2007, the following Trial Balance was extracted from the books of a Merchant : Marks : 10

	Rs.	Rs.
Capital	–	30,000
Drawings	5,000	–
Sundry debtors and creditors	20,000	10,000
Loan on mortgage	–	9,500
Interest on loan	300	–
Cash in hand	2,000	–
Provision for bad debts	–	700
Stock (1-1-2007)	6,800	–
Motor vehicles	10,000	–
Cash at bank	3,500	–
Land and buildings	12,000	–

Bad debts	500	–
Purchases and sales	66,000	1,10,000
Carriage outward	2,500	–
Carriage inward	3,000	–
Sales returns and purchase returns	8,000	1,500
Salaries	9,000	–
Rent, taxes and insurance	3,000	–
Advertising	3,500	–
Discount	–	500
General expenses	3,400	–
Bills receivable and bills payable	6,000	2,000
Rent received	–	300
	1,64,500	**1,64,500**

Prepare Trading and P/L A/c for the year ended December 31st, 2007 and Balance Sheet as on that date after making adjustments of the following :

1) Depreciate land and buildings at 2½% and Motor vehicles at 20%.
2) Salaries outstanding Rs. 700.
3) Prepaid insurance Rs. 200.
4) Provision for bad debts is to be maintained at 5% on Sundry debtors.
5) Stock in hand on 31st Dec. 2007 was valued at Rs. 7,000.

Q. No. 6. b) What is a trial balance ? Explain the objectives of a trial balance. Marks : 6

Q. No. 7. a) From the following particulars of Bangalore Sports Club, prepare Income and Expenditure A/c for the year ending 31-12-1985 and the Balance Sheet as on that date. Marks : 10

Balance Sheet as on 31-12-1984

Liabilities	**Rs.**	**Assets**	**Rs.**
Capital fund	30,500	Buildings	32,000
Subscriptions for 1985	500	Subscriptions receivable	800
Sundry expenses payable	2,000	Rent receivable	200
Bank loan	10,000	Furniture	6,000
		Cash	4,000
	43,000		**43,000**

Receipts and Payments A/c for the year ending 31-12-1985

To Opening bal.	4,000	By Sundry exps. :	
To Subscriptions :		1984	2,000
1984	800	1985	3,000
1985	8,800	By Salary to staff	2,200
1986	1,400	By Subscription to	
To Entrance fees	200	newspapers	1,000
To Rent	2,000	By Refreshment	
To Sale of old		expenses	2,000
newspapers	2,000	By Investments	5,000
To Receipts from		By Bank loan	4,000
refreshments	3,000	By Closing balance	3,000
	22,200		**22,200**

Adjustments :

1) Subscriptions outstanding Rs. 500.
2) Staff salary outstanding Rs. 200.
3) Interest on bank loan accrued but not paid Rs. 1,200.
4) Depreciation on buildings Rs. 2,000.
5) 50% of the entrance fees received to be capitalised.

Q. No. 7. b) Write a short note on capital expenditure and revenue expenditure. Marks : 6

Q. No. 8. a) Explain the basic features of Income and Expenditure account and of Receipt and Payment Account. Marks : 10

Q. No. 8. b) Write a short note on non-profit organisation. Marks : 6

Q. No. 9. a) Distinction between Manual accounting and Computerised accounting. Marks : 10

Q. No. 9. b) What is computerised accounting ? Explain its features. Marks : 6

Q. No. 10. a) What are the factors to be considered while introducing computerised accounting in a business concern ? Marks : 10

Q. No. 10. b) Short note on "Tally ERP 9.0". Marks : 6
