I Semester 5 Year B.B.A., LL.B./B.Com. LL.B.
Examination, April/May 2022 (Dec. 2021)
FINANCIAL ACCOUNTING

Duration : 3 Hours Max. Marks : 80

Instructions : 1. Answer all five Units.
2. One essay type quesiton and short note/problems is compulsory from each Unit.
3. Figures to the right indicate marks.
4. Answer should be written in English completely.

UNIT – I

Q. No. 1. a) What are accounting concepts ? Explain. Marks : 10

OR

Q. No. 1. a) What is double entry system of accounting ? What are its advantages and disadvantages. Marks : 10

Q. No. 1. b) Write a short note on :
Branches of Accounting. Marks : 6

OR

Q. No. 1. b) Differences between Book-keeping and Accounting. Marks : 6

UNIT – II

Q. No. 2. a) Journalise the following transactions in the books of Vivek. Marks : 10

Dec. 1 Vivek started his business with the following :

	₹
Cash in hand	15,000
Cash at Bank	35,000
Goods in hand	30,000
Furniture	20,000
Buildings	10,000

Dec. 5	Loan taken from Bank	50,000
Dec. 8	Cash sales paid into Bank	20,000
Dec. 10	Withdrew from Bank for petty cash	1,000
Dec. 12	Bought goods from Sachin on account	20,000
Dec. 15	Received a cheque from Rajesh to be credited to Satish	5,000
Dec. 18	Bank allowed interest on Deposits	200
Dec. 21	Furniture costing ₹ 3,000 was destroyed by fire.	
Dec. 28	Cash sales paid into Bank ₹ 20,000	
Dec. 31	Paid postage ₹ 100	

OR

Q. No. 2. a) Enter the following transactions in a three column cash book. Marks : 10

2021

Jan. 1 Commenced business with ₹ 7,000 in cash

Jan. 2 Paid into Bank ₹ 6,500

Jan. 7 Bought furniture for ₹ 750 and paid by cheque

Jan. 15 Bought goods for ₹ 3,000 and paid by cheque

Jan. 20 Bought furniture for cash ₹ 120

Jan. 22 Received from Ravi cash of ₹ 440 and allowed him ₹ 10 as discount.

Jan. 24 Sold goods for cash ₹ 1,000

Jan. 25 Paid Rajan ₹ 220 in settlement of his account of ₹ 240

Jan. 26 Paid into Bank ₹ 700

Jan. 30 Drew cheque for salaries ₹ 380

Jan. 31 Drew cheque for personal use ₹ 250.

Q. No. 2. b) Enter the following transactions in the sales returns book. Marks : 6

2020

July 1 Rajesh and Co. returned goods worth ₹ 1,000

July 10 Allowance granted to Madan for breakage ₹ 500

July 18 Allowance granted to Chander for overcharge ₹ 300

July 25 Sohan and Co. returned goods worth ₹ 200

July 31 Allowance granted to Rohan and Co. ₹ 250.

OR

Q. No. 2. b) Following is the Trial balance as on 31-12-2021 prepared by an incompetent accountant. Marks : 6

You are required to rewrite in its correct form :

Particulars	**Dr.** (₹)	**Cr.** (₹)
Capital	24,000	–
Stock on 1-1-2021	8,500	–
Furniture	2,600	–
Purchases	–	8,950
Cash at Bank	7,300	–
Carriage	300	–
Sales	–	22,500
Buildings	12,000	–
Returns Inwards	–	1,900
Trade Expenses	1,000	–
Return outwards	350	–
Discount received	970	–
Office Rent	–	2,270
Salary	3,000	–
	60,020	**35,620**

UNIT – III

Q. No. 3. a) From the following Trial Balance of Roshan, prepare the Trading Profit and Loss A/c for the year ended 31^{st} Dec. 2020 and the Balance Sheet as on that date after taking into account the adjustments given below : Marks : 10

Trial Balance as on 31^{st} Dec. 2020

	Dr. (₹)	Cr. (₹)
Roshan's capital		29,000
" Drawings	760	
Purchases and sales	8,900	15,000
Sales returns and purchase returns	280	450
Stock (1-1-2020)	1,200	
Wages	800	
Building	22,000	
Freight and Carriage	2,000	
Trade expenses	200	
Advertisement	240	
Interest		350
Tax and Insurance	130	
Debtors and creditors	6,500	1,200
Bills Receivable and Bills payable	1,500	700
Cash at Bank	1,200	
Cash in Hand	190	
Salaries	800	
	46,700	**46,700**

Adjustments :

(i) Stock on 31st Dec. 2020 was valued at ₹ 1,500.

(ii) Insurance was prepaid to the extent of ₹ 40.

(iii) Outstanding liabilities were :
Salaries ₹ 200, Taxes ₹ 130.

(iv) Depreciate Building at 2% P.a.

OR

Q. No. 3. a) Following is the Trial Balance of Prakash as on 31st March 2019. Prepare a Trading and P&L A/c and Balance Sheet as on that date after making necessary adjustments. Marks : 10

Trial Balance as on 31st March 2019

	Dr. (₹)	Cr. (₹)
Opening stock (1-4-2018)	1,500	
Purchases	25,000	
Sales		78,000
S. Debtors	6,000	
Capital Account		20,000
Drawings Account	5,000	
Returns	800	1,000
Plant and Machinery	15,000	
Bills Receivable	2,500	
Land and Buildings	30,000	
Bills Payable		4,000
Salaries and wages	12,000	
Trade Expenses	7,000	
Rent, Rates and Insurance	1,200	
Stationery	700	
S. Creditors		6,600
Provision for Bad and Doubtful Debts		1,400
Bad Debts	300	
Furniture	3,500	
Cash Balance	500	
	1,11,000	**1,11,000**

Adjustments :

(i) Closing stock as on 31st March 2019 ₹ 1,200.

(ii) Accrued expenses :
Wages ₹ 400,
Rent ₹ 50

(iii) Provision for bad and doubtful debts should be maintained at 15% on debtors.

(iv) Provision for depreciation at 10% on plant and machinery and 8% on Land and Buildings.

Q. No. 3. b) What is Final Accounts ? What are the uses of final accounts of a firm ? Marks : 6

OR

Q. No. 3. b) How do you treat the following in Final Accounts ? Marks : 6

(a) Interest on Capital.
(b) Drawings.
(c) Interest on Drawing.
(d) Outstanding wages.
(e) Prepaid Expenses.
(f) Depreciation.

UNIT – IV

Q. No. 4. a) From the following information relating to Anand cricket club, prepare an Income and Expenditure Account for the year ending 31st March 2019 and a Balance Sheet as on that date.

The secretary of the club gives the following record for cash transactions for your use. Marks : 10

	₹		₹
To Subscriptions	5,000	By upkeep of ground	2,000
To Admission fee	300	By Tournament Exp.	700
To sale of old Bats	50	Rents rates and insurance	300
To rent of grounds	300	Printing and stationery	100
To Tournament subscription	1,000	Secretarys Honorarium	170
To Drawn from Bank	4,000	By Grass seeds	30
To Donations	10,000	By Bats, Balls etc.	700
		By Lodged with Bank	16,650
	20,650		**20,650**

Assets on 1st April 2018 were :

Cash at Bank ₹ 1,300, stock of Balls etc. ₹ 1,500, printing and stationery ₹ 200, subscriptions due ₹ 500 Liabilities on 1st April 2018 – NIL.

Donations and surplus on account of tournament should be kept on reserve for a permanent pavilion. Subscriptions due at 31st March 2018 were ₹ 750.

Write off 5% of the total value of Bats, balls etc. and 25% of printing and stationery.

OR

Q. No. 4. a) Distinguish between Receipts and Payments Account and Income and Expenditure Account. Marks : 10

Q. No. 4. b) How do you classify the following expenses into capital and revenue ? Marks : 6

(i) Stamp duty paid at the time of purchase of land
(ii) Cost of extension of pavilion and seating accomodation
(iii) Amount paid for freight to bring new furniture
(iv) Fines paid for contravening the rules
(v) Amount spent on painting a newly constructed building
(vi) Amount spent on purchase of electric fans.

OR

Q. No. 4. b) What is Non-trading concern ? What are the characteristics of Non-trading concern ? Marks : 6

UNIT – V

Q. No. 5. a) Explain the advantages and disadvantages of computerised Accounting. Marks : 10

OR

Q. No. 5. a) Explain the factors to be considered before the implementation of computerised accounting. Marks : 10

Q. No. 5. b) Write a short note on Tally. Marks : 6

OR

Q. No. 5. b) Write a short note on different Accounting softwares. Marks : 6