6004/7004

First Semester 5 Yr. B.B.A.LL.B./B.Com.LL.B. Examination, October/November 2022 (June 2022)
FINANCIAL ACCOUNTING

Duration : 3 Hours Max. Marks : 80

Instructions : 1. Answer all five Units.

2. One essay type question and short note/problem is compulsory from each Unit.

3. Answer should be written in English.

4. Use simple calculator.

UNIT – I

Q. No. 1. a) What are Accounting concepts and conventions ? Explain briefly the 4 important accounting conventions. Marks : 1×10=10

OR

Q. No. 1. a) Define Accounting. Explain the features and objectives of accounting.

Q. No. 1. b) What do you mean by accounting standards ? Explain any ten accounting standards issued by ICAI. Marks : 1×6=6

OR

Q. No. 1. b) What is book keeping ? Distinguish between book-keeping and accounting.

UNIT – II

Q. No. 2. a) Journalise the following transactions. Marks : 1×10=10

2018

1) April 1 – Commenced business with :

	₹
Furniture	10,000
Machinery	10,000
Goods	40,000
Cash	12,000

P.T.O.

2)	April 3 – Purchased goods from Shashi	30,000
3)	April 4 – Sold goods for cash	15,000
4)	April 7 – Purchased goods from Shashi for cash	10,000
5)	April 10 – Cash deposited in bank	3,000
6)	April 13 – Sold goods an credit to Mani	17,000
7)	April 14 – Paid for Postage	250
8)	April 15 – Sold goods for cash	5,000
9)	April 19 – Purchased Govt. securities	5,000
10)	April 20 – Purchased goods worth ₹ 16,000, less 20% trade discount from Hari	
11)	April 22 – Cash purchases	10,500
12)	April 23 – Cash received from Mani	17,000
13)	April 24 – Cash paid to Shashi	10,000
14)	April 25 – Paid office rent by cheque	800
15)	April 30 – Paid office salaries by cheque	1,000

OR

Q. No. 2. a) Journalise the following transactions 2018.

1) March 1 – Balance of cash ₹ 200 and at bank ₹ 5,000
2) March 3 – Received cheque ₹ 400 for sales
3) March 4 – Paid the above cheque of ₹ 400 into bank
4) March 6 – Paid by cheque for cash purchases ₹ 100
5) March 9 – Paid Gopal by cheque ₹ 680 and he allowed discount ₹ 20
6) March 12 – Received cash from Raghu ₹ 600 in full settlement of his account ₹ 630
7) March 14 – Paid sundry expenses in cash ₹ 10
8) March 15 – Withdrawn from bank for personal use ₹ 500
9) March 18 – Paid cash for wages ₹ 140

Record the above transactions in three column cash book.

Q. No. 2. b) Prepare a Trial Balance from the following items. Marks : 1×6=6

Particulars	Amt. (₹)
Amt. due to Kulkarni	1,000
Furniture	1,000
Sales	10,000
Returns outwards	1,000
Purchases	15,000
Office expenses	2,000
Capital	6,000
Bank overdraft	1,500
Due from Jagadeesh	2,000
Outstanding expenses	500

OR

Q. No. 2. b) Identify following accounts into Personal, Real and Nominal Accounts.

i) Capital Account
ii) Buildings Account
iii) Loan Account
iv) Mysore Store's Account
v) Drawing's Account
vi) Goodwill Account
vii) Sales Account
viii) Bills receivable Account
ix) Investment Account
x) Discount Account
xi) Salaries Account
xii) Furniture Account.

UNIT – III

Q. No. 3. a) Following is the Trial Balance of Parekh and Sons as on 31st March 2018. Prepare Trading and Profit and Loss Account and Balance Sheet. Marks : 1×10=10

Particulars	Dr. ₹	Cr. ₹
Opening stock on 1st April 2017	1,500	
Purchases	25,000	
Sales		78,000
Sundry debtors	6,000	

Capital		20,000
Drawings	5,000	
Returns	800	1,000
Plant and machinery	15,000	
Bills receivable	2,500	
Land and building	30,000	
Bills payable		4,000
Salaries and wages	12,000	
Trade expenses	7,000	
Rent, Rates and Insurance	1,200	
Stationary	700	
Sundry 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 :

1) Closing stock on 31st March 2018 is ₹ 1,200
2) Accrued expenses : wages ₹ 400, Rent ₹ 50.
3) Provision for bad and doubtfull debts at 15%.
4) Charge depreciation at 10% Plant and Machinery and 8% on Land and Building.

OR

Q. No. 3. a) From the following Trial Balance of Tilak, prepare Trading and P/L Account for the year ended 30th June 2018 and a Balance Sheet as on date.

Particulars	**Dr.** ₹	**Cr.** ₹
Tilak's capital		71,000
Cash on hand and bank	3,900	

Purchases and sales	41,000	98,800
Returns	600	500
Productive wages	10,500	
Power and fuel	4,000	
Salary and wages	15,000	
Carriage outward	3,200	
Carriage inward	2,000	
Stock (1-7-2017)	5,800	
Building	40,000	
Plant and Machinery	20,000	
Furniture	7,500	
Debtors and Creditors	14,500	6,300
General expenses	3,000	
Insurance	600	
Drawings	5,000	
	1,76,600	**1,76,600**

Adjustments :

1) Stock on 30th June 2018 valued at ₹ 7,000.
2) Building, Machinery and Furniture are to be depreciated by ₹ 2,000 and ₹ 3,000 and ₹ 1,500 respectively.
3) Salaries and advertisement bill are outstanding to the extent of ₹ 500 and ₹ 1,000 respectively.
4) Prepaid insurance amounts to ₹ 170.

Q. No. 3. b) Write a short note on : Marks : 1×6=6

Manufacturing Account with format.

OR

Q. No. 3. b) Write a short note on :

Trading and Profit and Loss Account with format.

UNIT – IV

Q. No. 4. a) From the following receipts and payments account of Sudhakar Hospital newly commenced on 1-1-2018 and the adjustments given below, prepare the Income and Expenditure Account for the year ending 31-12-2018 and the Balance Sheet as on that date. Marks : 1×10=10

Receipts	**Amt.** ₹	**Payments**	**Amt.** ₹
To Subscriptions	10,000	By Instruments and equipments	12,000
To Entrance Fees	2,000	By Furniture	6,000
To Endowment Fund	1,00,000	By Diet expenses	1,800
To Donations	20,000	By Medicines purchased	1,200
To Fees from patients	2,500	By Salaries	5,000
To Interest from bank	200	By Office Exp.	3,500
To Misc. receipts	300	By Govt. Securities	1,00,000
		By Bal. c/d : Cash 500, Bank 5,000	5,500
	1,35,000		**1,35,000**

i) Donations are to be capitalised.

ii) Outstanding subscriptions ₹ 2,000, Office expenses outstanding ₹ 500.

iii) Depreciate instruments and equipments at 20% and furniture at 10%.

iv) Stock of medicines as on 31-12-2018 ₹ 200.

OR

Q. No. 4. a) Following is the Receipts and Payments Accounts of Sudha Education Trust commenced on 1-4-17.

Receipts	Amt.	Payments	Amt.
To Life membership fee	4,000	By Building	1,00,000
To Building donation	1,00,000	By Furniture	20,000
To Govt. grants	30,000	By Library books	10,000
To Admission fees	10,000	By Salary	24,000
To Subscription	15,000	By Printing and stationary	1,250
To Fees from students	3,060	By Telephone charges	500
		By Sports materials (1-4-17)	4,000
		By Office expenses	400
		By Balance of cash	1,910
	1,62,060		**1,62,060**

Adjustments :

1) Salary outstanding ₹ 1,000.
2) Depreciation on sports materials at 20%.
3) Depreciate building by ₹ 5,000.
4) Outstanding subscriptions ₹ 450 and subscriptions received in advance ₹ 600.
5) Admission fees to be capitalised.

Prepare :

1) Income and Expenditure A/c.
2) Balance Sheet as on 31-3-18.

Q. No. 4. b) What are legacies ? Distinguish between capital expenditure and revenue expenditure. Marks : 1×6=6

OR

Q. No. 4. b) Classify the following into capital and revenue.

1) Life membership fees
2) Sale of old sports material
3) Subscription
4) Tuition fees
5) Prize amount received from lottery
6) Loans taken from others.

UNIT – V

Q. No. 5. a) Define computerized accounting system. Distinguish between manual and computerised accounting system. Marks : 1×10=10

OR

Q. No. 5. a) Explain any five advantages and disadvantages of computerised accounting system.

Q. No. 5. b) Explain the features of computerised accounting system. Marks : 1×6=6

OR

Q. No. 5. b) Write a note on Tailor-made accounting software.