6004/7004

I Semester 5 Year B.Com. LL.B./B.B.A. LL.B. Examination, January/February 2026 (Odd Sem.)
FINANCIAL ACCOUNTING

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/Kannada completely.**
5. **Use simple calculator.**

UNIT – I

Q. No. 1. (a) What is accounting ? Explain objectives and functions of accounting. Marks : 10

OR

Q. No. 1. (a) Describe briefly three kinds of accounts with examples and state the rules of debit and credit under English Approach and American Approach. Marks : 10

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

OR

Q. No. 1. (b) Distinguish between single entry system and double entry system. Marks : 6

UNIT – II

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

July 2025

1/7/25	Govind started business with the following Cash ₹ 20,000 Goods ₹ 10,000 and furniture ₹ 50,000
5/7	Sold goods to Raghav ₹ 5,000
6/7	Sold goods for cash ₹ 3,000
9/7	Received from Raghav ₹ 3,000
12/7	Purchased goods from Manav ₹ 9,000
15/7	Paid to Manav on account ₹ 5,000
20/7	Paid interest to Raj ₹ 400
22/7	Purchased stationery ₹ 500
23/7	Paid salaries ₹ 2,000 and rent ₹ 3,000
26/7	Paid cash to Manav ₹ 3,800 in full settlement of his account ₹ 4,000

OR

P.T.O.

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

March 2025

1/3/25	Balance of cash in hand ₹ 15,000 and at bank ₹ 10,000
3/3	Paid into bank ₹ 9,000
4/3	Purchased goods for cash ₹ 12,000
8/3	Sold goods for cash ₹ 6,000 and deposited the same into bank
10/3	Paid to Rakesh ₹ 7,600 in full settlement of his account ₹ 8,000
15/3	Received cash from Kumar ₹ 12,000 and allowed him discount ₹ 300
20/3	Drew for office use ₹ 7,500
24/3	Interest received by cash ₹ 1,000
26/3	Paid for advertisement by cheque ₹ 1,500
31/3	Withdrew cash for personal use ₹ 3,000

Q. No. 2. (b) Distinguish between Journal and Ledger. Marks : 6

OR

Q. No. 2. (b) What is cash book and state features of cash book ? Marks : 6

UNIT – III

Q. No. 3. (a) From the following Trial Balance of Rajan, prepare Trading and Profit and Loss A/c and Balance-Sheet as on 31-03-2024. Marks : 10

Trial Balance as on 31-3-24

Particulars	**L.F**	**Debit**	**Credit**
Rajan's capital	–	–	29,000
Purchases and sales	–	8,900	15,000
Rajan's drawings	–	760	–
Sales returns and purchases returns	–	280	450
Opening stock	–	1,200	–
Wages	–	800	–
Building	–	22,000	–
Freight and carriage	–	2,000	–
Trade expenses	–	200	–
Advertisement	–	240	–
Interest	–	–	350
Taxes 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	–
Total		**46,700**	**46,700**

Adjustments :

1) Stock on 31-03-2024 was valued at ₹ 1,500.
2) Insurance was prepaid to the extent of ₹ 40.
3) Outstanding liabilities were : Salaries ₹ 200, Taxes ₹ 130.
4) Depreciate building at 2% p.a.

OR

Q. No. 3. (a) From the following Trial Balance prepare financial statements as on 31-03-2024. Marks : 10

Trial balance as on 31-03-24

Particulars	**L.F**	**Debit**	**Credit**
Purchases		130,295	–
Sales		–	180,500
Cash in hand		500	–
Cash at bank		9,500	–
Stock on 1-4-23		40,000	–
Wages		22,525	–
Returns		2,400	195
Repairs		1,675	–
Debtors and creditors		30,000	30,305
Bad debts		2,310	–
Loan at 12%		–	20,000
Discounts		800	530
Capital		–	37,500
Interest on loan		600	–
Salaries		8,000	–
Sales tax		800	–
Octroi		500	–
Insurance		1,000	–
Charity		125	–
Rent		2,000	–
Machinery		16,000	–
Total		**2,69,030**	**2,69,030**

Adjustments :

1) Closing stock valued at ₹ 40,925
2) Salaries unpaid ₹ 800
3) Bad debts ₹ 400
4) Make a provision of 5% on debtors
5) Unexpired insurance ₹ 300.

Q. No. 3. (b) What do you mean by adjustments ? Give the adjusting entries for interest on capital and interest on drawings. Marks : 6

OR

Q. No. 3. (b) Prepare a Balance-sheet showing at least six items with imaginary figures. Marks : 6

UNIT – IV

Q. No. 4. (a) Cricket club of Mysore was started on 1-04-2023. Its Receipts and Payments A/c for the year ending 31-03-2024 was as follows. Marks : 10

Receipts and Payments A/c for the year

Receipts	**Dr.** ₹	**Payments**	**Cr.** ₹
To Donations	60,000	By Tournament expenses	10,300
To Tournament fund	22,000	By Furniture	15,800
To Life Membership fees	5,000	By Sports Equipments	30,100
To Entrance fees	1,000	By Honorarium	14,000
To Fees from function	24,000	By Other expenses	6,000

To Subscriptions	10,000	By Printing	1,200
		By Rent	2,500
		By Salaries	7,000
		By Postage	330
		By Fixed deposit in bank	30,000
		By Cash balance	4,770
	1,22,000		**1,22,000**

Adjustments :

1) Outstanding salaries ₹ 2,500 and outstanding printing ₹ 1,000.
2) Subscription due for 2023 – 24 ₹ 2,000.
3) Sports equipments on 31-03-24 were valued at ₹ 25,100 and postage stamps on hand ₹ 100.
4) Entrance fees and life membership fees are to be capitalised.

Prepare : Income and Expenditure A/c, Balance-Sheet as on 31-03-24.

OR

Q. No. 4. (a) Explain final accounts of non-trading concerns. Marks : 10

Q. No. 4. (b) Classify the following into revenue and capital items. Marks : 6

1) Cost of installing lights and fans.
2) Special subscriptions received for special purpose.
3) Honorarium paid to a surgeon in the hospital.
4) Match expenses met out of match fund.
5) Legacies received.
6) Installation charges of a new machinery.

OR

Q. No. 4. (b) From the following particulars prepare Receipts and Payments A/c of Manjunatha Charitable Trust for the year ending 31-3-24. Marks : 6

Particulars	₹
Cash balance	5,000
Subscriptions	20,000
Newspapers and Journals	300
Donations received	2,000
Printing and stationery	500
Rent paid	4,000
Entrance fees	2,000
Furniture purchased	5,000
Electricity charges	200
Govt. bonds purchased	5,000

UNIT – V

Q. No. 5. (a) What are the factors to be considered while introducing computerised accounting in a business concern ? Marks : 10

OR

Q. No. 5. (a) Explain the major applications of computers in accounting. Marks : 10

Q. No. 5. (b) What is computerised accounting ? Explain its features. Marks : 6

OR

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