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First Semester 5 Year B.B.A. LL.B./B.Com. LL.B.

Examination, March/April 2024 (Odd Sem.)

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 completely.

4. Use simple calculator only.

UNIT – I

Q. No. 1. (a) Define Accounting. Explain objectives and functions of Accounting. Marks : 10

OR

Q. No. 1. (a) Explain any 10 Accounting Standards. Marks : 10

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

OR

Q. No. 1. (b) What do you mean by the term 'Assets' ? How are assets classified ? Give an example of each type of assets. Marks : 6

P.T.O.

UNIT – II

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

March 2018

1 Rahul started business with cash ₹ 40,000/-, cheque ₹ 60,000/- and a building valued at ₹ 5,00,000.

3 Purchased goods amounting to ₹ 2,00,000 out of which goods ₹ 1,80,000 were purchased on credit from Deepak.

5 Sold goods to Ramesh ₹ 1,60,000.

8 Received cheque for ₹ 1,56,000 from Ramesh in full settlement of his account.

10 Paid ₹ 1,78,000 to Deepak in full settlement of ₹ 1,80,000 due to him by cheque.

12 Paid income tax ₹ 5,000.

OR

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

1-1-2018 Commenced business with ₹ 10,000 in cash

3-1-2018 Paid into bank ₹ 7,000

7-1-2018 Bought furniture for ₹ 750 and paid by cheque

15-1-2018 Bought goods for ₹ 3,000 and paid by cheque

20-1-2018 Bought furniture for cash ₹ 120

22-1-2018 Received cash from Raj ₹ 440 and allowed him ₹ 10 as discount

24-1-2018 Sold goods for cash ₹ 600

25-1-2018 Paid Vijay ₹ 220 in settlement of his account to ₹ 240

26-1-2018 Paid into bank ₹ 700

28-1-2018 Drew cheque for salaries ₹ 380

31-1-2018 Drew cheque for personal use ₹ 250.

Q. No. 2. (b) Prepare a Trial Balance as on 31-3-2018 from the following ledger balances. Marks : 6

Particulars	Amount (₹)
Capital	40,000
Drawings	2,000
Land and buildings	20,000
Stock on 1-4-2017	12,500
Machinery	5,000
Loose Tools	1,000
Furniture	1,200
Rent	1,800
Salary	1,100
Sundry debtors	2,200
Sundry creditors	1,000
Purchases	20,800
Sales	38,400
Discount received	1,750
Postage and Telegram	200
Wages	2,600
Bills receivable	2,700
Sundry expenses	800
Income tax paid	200
Cash at bank	7,050

OR

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

UNIT – III

Q. No. 3. (a) From the following balances prepare financial statements as on 31-3-2018. Marks : 10

Trial Balance as on 31-3-2018

Particulars	Debit (₹)	Credit (₹)
Capital	–	60,000
Purchases and sales	35,000	74,000
Drawings	4,000	–
Returns	2,000	1,500
Carriage inwards	500	–
Rent	1,800	–
Sundry debtors	20,000	–
Creditors	–	15,000
Land and buildings	20,000	–
Opening stock (1-4-2017)	9,000	–
Wages	5,000	–
Discount	500	–
Commission	200	300
Printing and stationery	300	–
Salary	2,500	–
Loan	–	4,000
Plant and machinery	30,000	–
Furniture	10,000	–
Bad debts	1,000	–
Bills receivable	10,000	–
Bills payable	–	6,000
Provision for bad debts	–	500
Cash in hand	3,500	–
Cash at bank	6,700	–
Interest received	–	700
	1,62,000	**1,62,000**

Adjustments :

1) Stock on 31-3-2018 ₹ 15,000.
2) Prepaid rent ₹ 300.
3) Salary outstanding ₹ 500.
4) Depreciate plant and machinery at 10% and furniture at 5%.
5) Provide for doubtful debts on debtors at 5%.

OR

Q. No. 3. (a) Prepare financial statements for the year ending on 31st March 2018 from the following Trial Balance and adjustments. Marks : 10

Trial Balance as on 31-03-2018

Names of Accounts	Debit (₹)	Credit (₹)
Drawings and capital	15,000	50,000
Purchases and sales	40,000	70,000
Purchases returns	–	3,000
Sales returns	2,000	–
Wages	4,000	–
Salaries	8,000	–
Sundry debtors	12,000	–
Sundry creditors	–	10,000
Bills receivable	5,000	–
Bills payable	–	4,000
Furniture	15,000	–
Opening stock	13,000	–
General expenses	3,000	–
Insurance	1,000	–
Cash and Bank balance	19,000	–
	1,37,000	**1,37,000**

Adjustments :

a) Closing stock ₹ 20,000.
b) Insurance prepaid ₹ 200.
c) Provide for doubtful debts @ 5%.
d) Depreciate furniture by 10% p.a.

Q. No. 3. (b) Show the treatment of expenses, depreciation, closing stock at the time of preparation of final accounts. Marks : 6

OR

Q. No. 3. (b) Why is it necessary to create provision for bad and doubtful debts ? How is it treated in final accounts ? Marks : 6

UNIT – IV

Q. No. 4. (a) Explain the features of Income and Expenditure A/c and Receipts and Payments Account. Marks : 10

OR

Q. No. 4. (a) Tennis club of Mysore was started on 1-04-2017. Its Receipts and Payments Account for the year ending 31-03-2018 is as follows : Marks : 10

Receipts and Payments A/c for the year ending 31-3-2018

	Dr.		**Cr.**
Receipts	₹	**Payments**	₹
To Endowment fund	2,00,000	By Salary	72,000
To Tournament fund	1,00,000	By Tournament expenses	76,000
To Entrance fees	6,000	By Rent	24,000
To Life membership fees	60,000	By Printing	10,000
To Donations	4,00,000	By Function expenses : Honorarium	1,40,000
To Subscriptions	60,000	Others	40,000
To Fees for functions	2,40,000	By Sports equipments	2,54,000
		By Furniture	1,28,000
		By Postage	3,000
		By Fixed deposit in bank	3,00,000
		By Cash balance	19,000
	10,66,000		**10,66,000**

Adjustments :

1) Outstanding subscriptions ₹ 40,000.
2) Outstanding expenses : Salaries 24,000, Printing ₹ 10,000.
3) Entrance fees and life membership fees are to be capitalised.
4) Sports equipments on 31-3-2018 were valued at ₹ 2,04,000 and postage stamps on hand ₹ 400.

Prepare :

1) Income and Expenditure Account.
2) Balance Sheet as on 31-3-2018.

Q. No. 4. (b) From the following information prepare Receipts and Payments Account of friends club, Delhi for the year ending March 31, 2019. Marks : 6

Cash on 1-4-2018	– ₹ 440
Subscriptions	– ₹ 3,760
Donations	– ₹ 800
Entrance fees	– ₹ 430
Rent realised from club hall	– ₹ 525
Salaries and wages	– ₹ 2,150
Honorarium to secretary	– ₹ 250
Printing and stationery	– ₹ 35
Interest received on investment	– ₹ 295

OR

Q. No. 4. (b) State features of Non-Trading concerns. Marks : 6

UNIT – V

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

OR

Q. No. 5. (a) Explain the difference between manual accounting and computerised accounting. Marks : 10

Q. No. 5. (b) Explain the factors to be considered while selecting a particular type of accounting software. Marks : 6

OR

Q. No. 5. (b) Explain any 6 features of computerised accounting. Marks : 6
