

Roll No.

Total No. of Pages : 04

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B.Sc Business Economics (BBE) (2015 to 2017) (Sem.-2)

# FINANCIAL ACCOUNTING

Subject Code : BBE-204

M.Code : 72771

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES:

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any ONE question from each Sub-section.

## SECTION-A

Q.1 Write short notes on the following :

- a) Objective of accounting
- b) Book of original entry
- c) Types of errors in trial balance
- d) Revenue expenditure
- e) Trading & profit and loss account
- f) Receipts & payment account
- g) Provision & reserves
- h) Subscription
- i) Types of assets
- j) Methods of depreciation

## SECTION-B

### UNIT-I

2. Briefly explain the various accounting concepts and conventions.
3. Journalize the following transactions :

Date 2017		Rs.
May 1	Ravi Commenced business with	42,000
May 3	Goods purchased for cash	18,400
May 6	Goods sold to Ramesh on credit	11,200
May 7	Brought goods from Ram	6,600
May 10	Cash received from Ramesh	7,200
May 12	Paid Ram on account	4,200
May 16	Goods sold to Rajive	7,500
May 20	Goods sold for cash	15,000
May 27	Amount paid to Ram	2,400
May 29	Cash received from Rajive	7,500
May 31	Paid rent in cash	900
May 31	Salary paid to office staff	1,400

### UNIT-II

4. Explain errors of principle and give two examples with measures to rectify them.
5. From the following particulars of Asha & Co. prepare a bank reconciliation statement on December 31, 2013.
  - a) Overdraft as per passbook Rs. 20,000
  - b) Interest on overdraft Rs. 2,000
  - c) Insurance Premium paid by the bank Rs. 200
  - d) Cheque issued but not presented for payment Rs. 6,500
  - e) Cheque deposited but not yet cleared Rs. 6,000
  - f) Wrongly debited by the bank Rs. 500

### UNIT-III

6. Explain the concept of depreciation. What is the need for charging depreciation and what are the causes of depreciation?
7. From the following particulars of Mrs. Raman & Co., you are required to prepare Trading, Profit and Loss Account and Balance Sheet for the year ended 31st Dec. 2003 :

	Rs.		Rs.
Sales	65,000	Discount Allowed	100
Sales Return	500	Discount Received	500
Stock at the beginning	8,000	Salaries	3,000
Purchases	29,000	Interest paid	400
Purchases Return	300	Furniture	3,000
Direct Wages	5,000	Buildings	20,000
Direct Expenses	5,000	Plant and Machinery	20,000
Carriage Inwards	4,000	Cash in Hand	1,000
Capital at the beginning	30,000	Bills Payable	6,200
Drawings	5,000	Reserve for Bad and doubtful Debts	500
Sundry Debtors	10,000	Bad Debts	300
Sundry Creditors	12,000	Closing Stock at the end	8,000

#### Additional Information

- a) Outstanding Salaries Rs. 500
- b) Interest on Capital at 10% P.A.
- c) Depreciation in Plant and Machinery at 10% P.A. and Buildings at 5% P.A.
- d) Prepaid of Interest Rs. 100
- e) Provision for Bad and Doubtful Debts at 10% on Debtors.

## UNIT-IV

8. Describe in brief the steps taken to prepare Income and Expenditure Account.
9. From the following particulars relating to Golden Point Club, prepare a Receipts and Payments account for the year ending 31st March, 2002.

		Sale of old sports materials	1,200
		Rs. Donation received for pavilion	4,600
Opening cash balance	1,000	Rend paid	3,000
Opening bank balance	7,200	Sports materials purchased	4,800
Subscriptions collected for :		Purchase of refreshments	600
1999 Rs. 500		Expenses for maintenance of tennis court	2,000
2000 Rs. 7,600			2,500
2001 Rs. 900		Salary paid	2,400
	9,000	Tournament expenses	1,500
		Furniture purchased	1,200
		Office expenses	400
Sale of refreshments	1,000	Closing cash in hand	
Entrance fees received	1,000		

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.