

Total Pages : 4

Roll No. -----

BBA-103

Financial Accounting

Bachelor of Business Administration

(BBA-10/12/16/17)

1st Semester, Examination June 2022

Time: 2 Hours

Max. Marks: 80

Note : This paper is of Eighty (80) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein.

Section – A

(Long Answer – type questions)

Note: Section 'A' contains Five (05) long-answer-type questions of Twenty (20) marks each. Learners are required to answer any two (02) questions only.

[2 x 20 = 40]

Q.1. Why are the services rendered by accountants to society? Name the persons interested in accounting disclosures.

P.T.O.

- Q.2. Explain the importance of Journal. Also explain the procedure for balancing a Ledger Account.
- Q.3. How does a Bank Reconciliation Statement help an Organisation? Prepare a Proforma of a Bank Reconciliation Statement with imaginary figures.
- Q.4. Discuss the nature and limitations of financial statements.
- Q.5. The following is the Trial Balance of ABC Ltd. as on 31st March 2019. Prepare the trading and profit and loss account for the year ended 31st March, 2019, and a Balance Sheet as at that date.

Particulars	Debit (Rs)	Credit (Rs)
Capital		1,00,000
Building	15,000	
Drawings	18,000	
Furniture	7,500	
Motor Car	25,000	
Loan from Ashok @ 12% p.a.		15,000
Interest paid on loan	900	
Purchases and Sales	75,000	1,00,000
Opening Stock	25,000	
Establishment Expenses	15,000	
Wages	2,000	
Insurance	1,000	
Commission		7,500
Debtors and Creditors	28,100	10,000
Bank Balance	20,000	
	2,32,500	2,32,500

The following adjustments are to be made:

- (i) The value of closing stock on 31st March, 2019 was Rs. 32,000.
- (ii) Outstanding wages amounted to Rs. 500.
- (iii) Prepaid Insurance Rs. 300.
- (iv) Commission received in advance amounted to Rs. 800.
- (v) Allow interest on capital @ 10% p.a.
- (vi) Depreciate Building by 2.5% p.a; furniture by 10% p.a. and motor car by 10% p.a.
- (vii) Charge Rs. 500 as interest on drawings.
- (viii) Balance of interest due on the loan is also to be provided for.

Section – B

(Short-answer-type questions)

Note: Section 'B' contains Eight (08) short-answer-type questions of Ten (10) marks each. Learners are required to answer any Four (04) questions only.

[4 x 10 = 40]

P.T.O.

Briefly discuss any four (04) of the following:

1. Importance of Accounting.
2. Difference between Management Accounting and Financial Accounting.
3. Accounting Conventions.
4. Subdivision of Journal.
5. Three advantages of a voucher system.
6. Features of Receipts and Payment Account.
7. Show the effect of the following transactions on accounting equation and also prepare a Balance Sheet.

Particulars	Amount
Started Business with cash amounting to Rs. 35,000 and goods amounting Rs. 15,000	
Salaries Paid	2,000
Wages Outstanding	200
Prepaid Insurance	700
Interest due but not paid	100
Rent paid in advance	150

8. A firm purchased a machine on 1st January, 2017 for Rs. 2,00,000. A new machine was purchased for Rs. 80,000 on 1st July 2018. It is decided to write off depreciation on machinery at 10% p.a. according to the reducing balance method. Accounts are closed every year on 31st December. Prepare the Machinery Account for three years.