

B.B.A DEGREE EXAMINATION, NOVEMBER 2019
I Year I Semester
Financial Accounting

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. Define 'Accounting'.
2. What is Cash Book?
3. What do you understand by Final Accounts?
4. What is the purpose of preparation of Financial Statements?
5. Define 'Non-performing Assets'.
6. What is a 'Receipts and Payments'?
7. What do you mean by 'Non-Trading Organizations'?
8. What is an 'Income and Expenditure Account'?
9. List out the different kinds of errors usually made in maintaining accounts.
10. What is 'Suspense Account'?
11. What is 'Bank Reconciliation Statements'?
12. What is the need for providing depreciation?

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. What is Double Entry System? What are its advantages?
14. Prepare Trading Account of Archana for the year ending 31.12.1996 from the following information.

Opening stock	80000
Purchases	8,60,000
Freight inward	52,000
Wages	14,40,000
Sales	10,000
Purchase Returns	3,16,000
Sales Returns	10,000
Closing Stock	3,16,000
Import Duty	1,00,000

15. From the following particulars prepare a Receipts and Payments Account.

Cash in Hand	100
Cash at Bank	500
Subscription Received	3,300
Donation Received	260
Investment Purchased	1,000
Rent Paid	400
General Expenses	210
Postage and Stationery	70
Sundry Expenses	30
Cash Balance at close	20

16. From the following details, ascertain the amount of subscriptions to be credited to income and expenditure account for the year 1999.

Subscription received in 1999 – Rs.48,000 which include Rs.4,000 for 1998 and Rs.8,000 for the year 2000. Subscriptions due but not received at the end of the year 1999 were Rs.20,000. Subscriptions received in 1998 in advance for 1999 were Rs.12,000.

17. Prepare Bank Reconciliation Statement:

Balance as per Pass book(Cr.)(31.12.1991)	9,000
Cheques issued but not presented	15,000
Cheques Deposited but not Credited	1,500
Bank has given credit for interest	150

18. From the following particulars, prepare Machinery Account for 3 years under Straight Line Method:

Price of the Machine: Rs.36,000

Freight Charges: Rs.2,500

Installation Charges: Rs.1,500

Life of the Machine: 5 Years

19. Briefly explain the procedure for preparation of the Final Accounts of a sole trader.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Describe in detail the advantages and limitations of financial accounting.
21. The following balances were extracted from the books of Prasad on 31st March 1994.

Capital	50,000	Creditors	5,000
Drawings	4,000	Bad Debts	1,100
General Expenses	5,000	Loans	15,760
Buildings	22,000	Sales	1,30,720
Machinery	18,680	Purchases	94,000
Stock	32,400	Motor Car	4,000
Power	4,480	Reserve Fund (Cr.)	1,800
Taxes and Insurance	2,630	Commission (Cr.)	2,640
Wages	14,400	Car Expenses	3,600
Debtors	12,560	Bills Payable	6,700
Bank Overdraft	6,600	Cash	160
Charity	210		

Stock on 31st March 1994 was valued at Rs.47,000. Prepare the final Accounts for the year ended on 31st March 1944.

22. M/s.Sarojini Balu & Co., purchased a machine for Rs.22,000 on January 1, 1992. The estimated life of the machinery is 10 years, after which it's break-up value will be Rs.2,000. Depreciation has to be charged at 21% on the diminishing balance. There was an addition to the original plant on January 1, 1994 to the value of Rs.4,000. You are required to prepare machinery account for the first three years.
23. The following are the transaction of Sankar & Co., for the month of July. Journalise the transactions.

July 1	Capital Paid into Bank	10,000
	Bought Stationery for Cash	60
July 2	Bought goods for Cash	4,200
3	Bought Postage Stamps	20
5	sold goods for cash	1,500
6	Bought office furniture from Babu Bros	1,000
11	Sold goods to Mohan	2,000
12	Received cheque from Mohan	2,000
14	Paid Baby Bios by cheque	1,000
16	Sold goods to Raj & Co	1,000
20	Bought goods from Swamy & Bros	1,400
23	Bought goods for Cash from Nathan & Co	450
24	Sold goods to Palani	700
26	Raj & Co paid on account	500
27	Paid swamy and Bros, by cheque in full settlement	1,370
31	Paid Salaries	500
	Rent is due to Satyan but not yet paid	200