

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai — 600 044.

BBA END SEMESTER EXAMINATIONS NOVEMBER-2022

SEMESTER - I

20UBACT1002 - Financial Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Explain the basic accounting concepts and conventions.
2. Record the following transactions in the personal accounts of Ram.

Date	Particulars	Rs.
01.06.2022	Sold goods to Ram	15,000
06.06.2022	cash received from Ram and allowed him discount	14,000 1,000
12.06.2022	Ram purchased goods	18,000
30.06.2022	Received cash from Ram on account	14,500
01.07.2022	Balance from last month b/d	3,750
11.07.2022	Sold goods to Ram	32,000
21.07.2022	Received cash from Ram and allowed him discount	18,000 1,500
29.07.2022	Received cash in full settlement of Ram's a/c	12,000

3. Describe the purpose of final accounts.
4. The following are the balances in the ledger of ABC Ltd., Prepare a Manufacturing and Trading Account for the year ended 31.03.2022.

Particulars	Rs.
Opening stock	
Raw materials	20,000
Work in progress	3,000
Finished goods	12,000
Purchase of raw materials	50,000
Sales	2,50,000
Fuel and coal	1,000
Wages	32,000
Factory expenses	40,000
Office expenses	30,000
Depreciation on plant and machinery	4,000
Closing stock	
Raw materials	20,000
Work in progress	5,000
Finished goods	7,500

5. Distinguish between receipts and payments account.
6. From the Receipts and Payments Account of the VVV Club for the year ended on 31.12.2021, prepare an Income and Expenditure Account and the Balance Sheet as on that date

Receipts	Rs.	Payments	Rs.
To donations	25,000	By building	20,000
To life membership fees	2,000	By expenses and matches	450
To match fund	5,000	By furniture	1,050
To revenue receipts	1,600	By investment	9,000
Subscription (including Rs.50 for 2022)		By revenue payments	
Interest on securities	100	Salaries	900
Cricket	200	Tennis	300
Sundries	50	Cricket	270
Tennis	250	Insurance	180
		(paid up to September 2022 for 1 year)	
		Printing	75
		Sundries	1,750
	34,200		34,200

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Subscription outstanding for 2021 Rs.150, Salaries unpaid for December 2021 were Rs.85 and half of donation is to be capitalized.

7. Give journal entries to rectify the following errors
 1. A purchase of goods from Guru to Rs.300 has been wrongly passed through the sales book.
 2. A credit of sale of goods Rs.250 to Rajan has been wrongly passed through the purchases book.
 3. Sold old furniture for Rs.500, passed through the sales book.
 4. Paid wages for the construction of building debited to wages account Rs.1000.
 5. On 31.12.2020 goods of the value of Rs.500 were returned by Guna and were taken into stock on the same date, but no entry was passed in the books.
8. A machine was purchased on 01.01.2020 for Rs.35,000. It was installed at a cost of Rs.5,000. On 01.07.2021, another machine was purchased for Rs.26,000. On 01.07.2022, the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31.12.2022, the machine bought on 01.07.2021 was sold for Rs.23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% per annum. Prepare the Machinery Accounts for 3 years ending 31.12.2022.

Section B

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Dim bros. started their business on 01.03.2022 with Rs.16,000 as their capital. Enter the following, directly into Ledger accounts and Trial Balance as on 30.03.2022.

Date	Particulars	Rs.
05.03.2022	Purchased goods for cash	6,000
06.03.2022	Sold to Sugu	3,000
07.03.2022	Purchased goods from Kannan	4,000
08.03.2022	Sold to Nila	5,000
10.03.2022	Paid cash for salary	2,000
12.03.2022	Received cash for commission	3,000
15.03.2022	Paid rent	1,500
25.03.2022	Withdraw cash for personal use	1,800

10. From the following Trial Balance extracted from the books of Ragu. Prepare the final accounts for the year ended 31.12.2022.

Debit Balances	Rs.	Credit Balances	Rs.
Cash at bank	2,610	Creditors	4,700
Book debts	11,070	Discounts	150
Salaries	4,950	Creditors for expenses	400
Carriage inwards	1,450	Returns outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad debts	1,310	Capital	40,000
Office expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture's and fixtures	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on property	1,200		
Freehold property	10,800		
	1,28,180		1,28,180

Adjustments:

1. Make provision for doubtful debts at 5%
 2. Calculate discount on creditors at 2%
 3. Office expenses include stationery purchased Rs.800
 4. Carriage inwards includes carriage paid on purchase of furniture Rs.50
 5. Outstanding salaries Rs.150
 6. Prepaid insurance Rs.300
- Stock on hand Rs.10,700 (including stationery stocks Rs.200).

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11. From the following particulars relating to Ganga Mission Charitable Hospital, prepare Income and Expenditure Account for the year 31.12.2022 and a Balance Sheet as on that date.

Receipts and Payments account for the year ended 31.12.2022

Receipts	Rs.	Payments	Rs.
To cash in hand	7,130	By medicines	30,590
To subscription	47,996	By doctor's honorarium	9,900
To donations	14,500	By salaries	27,100
To sale old equipments (costs of Rs.200)	100	By newspapers	400
To interest on investment (at 7% for full year)	7,000	By petty expenses	461
To proceeds from charity show	10,250	By equipments	15,000
To sale of newspaper	1,000	By expenses on charity show	750
		By cash in hand	3,775
	87,976		87,976

Additional Information

		on 01.01.2022 (Rs.)	on 31.12.2022 (Rs.)
1	Subscription due	240	280
2	Subscriptions received in advance	64	100
3	Stock of medicines	8,810	9,740
4	Estimated value of equipment	21,200	31,600
5	Building	40,000	38,000
6	Salaries outstanding	100	200
7	Prepaid salaries	-	300

12. Cash book of John showed an overdraft of Rs.25,000 as on 30.09.2022 with his bank. On investigation you find that:
1. Receipts side of cashbook was under cast by Rs.20,000.
 2. A cheque of Rs.10,000 from his customer deposited into his bank was dishonored and debit by bank before 30.09.2022 but no entry of dishonor was made in the cash book.
 3. Bank had debited Rs.2,800 as interest on overdraft upto 30.09.2022 but no such entry was passed in the cashbook.
 4. Cheques issued amounting to Rs.12,000 had not been presented for payment to the bank upto 30.09.2022.
 5. Cheques amounting to Rs.10,000 entered on the receipts side of the cashbook and deposited into the bank and have not been credited by bank before 30.09.2022.
 6. A cheque for Rs.50,000 drawn by another customer of the bank of similar name had been charged to the account of John in error.

You are required to:

1. Show the necessary adjustments to be made in the cash book by preparing cash book and balancing the same on 30.09.2022.
 2. Prepare Bank Reconciliation Statement as on 30.09.2022.
13. Saru Ltd., purchased a machine for Rs.22,000 on 01.01.2018. The estimated life of the machinery is 10 years, after which its break-value will be of Rs.2,000. Depreciation has to be charged at 20% on the diminishing balance. There was an addition to the original plant on 01.01.2020 to the value of Rs.4,000. You are required to prepare machinery a/c for the five years.
