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Roll No.

BBA-104

B. B. A. (FIRST SEMESTER)

END SEMESTER

EXAMINATION, Jan., 2023

FINANCIAL ACCOUNTING

Time : Three Hours

Maximum Marks : 100

Note : (i) All questions are compulsory.

(ii) Answer any *two* sub-questions among (a), (b) and (c) in each main question.

(iii) Total marks in each main question are **twenty**.

(iv) Each sub-question carries 10 marks.

1. (a) Explain the characteristics of Financial Accounting. Also mention the users of accounting. (CO1)

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- (b) Explain how accountancy is a wider concept as compared to book-keeping. (CO1)
- (c) Explain the following : (CO1)
- (i) Branches of Accounting
 - (ii) Double Entry System
2. (a) Briefly define the concepts and conventions of accounting. (CO2)
- (b) Distinguish between Straight Line Method and Written Down Method of depreciation. (CO2)
- (c) Distinguished between Manual Accounting System and Computerised Accounting System. (CO2)
3. (a) Write short notes on the following : (CO3)
- (i) Forfeiture of shares
 - (ii) Calls in arrear
 - (iii) Nominal Share Capital
 - (iv) Oversubscription of shares
- (b) Enter the following transactions in the books of Supriya, the owner of the business. Prepare Journal Entries. (CO3)

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- January 8 Purchased goods worth Rs.5,000 from Sarita on credit.
- January 12 Neha Purchased goods worth Rs.4,000 from Supriya on credit.
- January 18 Received a Cheque from Neha in full settlement of her account ₹ 3,850. Discount allowed to her ₹ 150.
- January 20 Payment made to Santa ₹ 4,900. Discount allowed by him ₹100.
- January 22 Purchased goods for cash ₹ 10,000.
- January 24 Goods sold to Kavita for ₹ 15,000. Trade discount @ 20% is allowed to her.
- January 29 Payment received from Kavita by Cheque.
- (c) Sunrise Ltd. Issued 20,000 Equity shares of ₹ 10 each at a premium of ₹ 3 payables as follows :
- On Application ₹ 4
 - On Allotment ₹ 5 (including premium)
 - On First Call ₹ 2
 - On Final Call ₹ 2

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All shares were duly subscribed and all money duly received. Pass necessary Journal Entries. (CO 3)

4. (a) "Balance as shown by the Bank Pass Book should tally with the balance as shown by the Cash Book of the Business." Do you agree? If not, explain the reasons with suitable examples of difference between the two. (CO4)

- (b) From the following ledger balance prepare Trial Balance, Profit and Loss account and Balance Sheet. (CO4)

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Sundry debtors	15,000
Opening stock	50,000
Land and building	10,0000
Capital	25,0000
Rent Received	6,000
Cash in hand	16,000
Cash at bank	40,000
Wages	30,000
Sundry creditors	70,000

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Bills receivable	20,000
Interest paid	2,000
Bad debts	5,000
Repairs	3,000
Sales	17,0000
Bills payable	40,000
Furniture and fittings	15,000
Depreciation	10,000
Rates and taxes	8,000
Salaries	20,000
Drawings	20,000
Purchases	10,0000
Office expenses	25,000
Plant and machinery	57,000

- (c) Sunita Ltd. was registered with an authorised capital of ₹ 50,00,000 divided in 50,000 shares of ₹ 100 each. Company issued 20,000 shares at a premium of ₹ 20 per share. Amount receivables as ₹ 40 on application, ₹ 40 on allotment (including premium) ₹ 20 on first call and ₹ 20 on

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second and final call. All shares were subscribed and all money was duly received. Share issue expenses amount to ₹ 20,000 which were fully written off against securities premium reserve A/c. Pass necessary Journal entries. (CO4)

5. (a) M/s. Mehra and Sons acquired a machine for ₹ 1,80,000 on October 01, 2020, and spent ₹ 20,000 for its installation. The firm writes-off depreciation at the rate of 10% on original cost every year. Record necessary journal entries for the year 2020 and draw up Machine Account and Depreciation Account for first three years given that :

- (i) The book of accounts closes on March 31 every year; and
- (ii) The firm charges depreciation to asset account. (CO5)

- (b) The process of selecting an 'Accounting Package' suitable for an organization involves many aspects to be considered. What are these considerations for selecting an Accounting Packages ? (CO5)

- (c) India Software Ltd. offered 50000 shares of ₹ 10 each to the public payable as : ₹ 2 on application ₹ 3 on allotment ₹ 2 on First call and the balance as and when required. All the shares were applied for and duly allotted but Mukesh a shareholder holding 200 shares paid the entire balance on allotment. Make necessary journal entries. (CO5)