

Total No. of Questions : 14]
(1126)

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**Bachelor of Business Administration Ist
Semester (0021) Examination**

0865

FINANCIAL ACCOUNTING

Paper : BBAS105

Time : 3 Hours]

[Maximum Marks : 80

Note :- There are *three* sections i.e., A, B and C. In section A, students are required to attempt *four* questions out of six questions. In section B, students are required to attempt *two* questions out of four questions & in section C, students are required to attempt *two* questions out of *four* questions.

Section-A

1. Write down five examples of Provisions. 5
2. Ram sold goods of the list price of Rs. 1,00,000 to Rahim subject to trade discount of 10% and cash discount of 5% if payment is made immediately. Rahim made the payment immediately. Calculate the net amount paid in this transaction. 5

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(1)

Turn Over

3. Following is the extract from the Trail Balance of Mr. Shyam as on 31st March 2007 :

	Dr.	Cr.
Interest Received	-	2,300
Commission Received	-	7,000

Adjustments :

- (i) Commission earned but not yet received
Rs. 1,000.

- (ii) Interest accrued but not yet received Rs. 700.
Make necessary adjustment entries and show their treatment in the final accounts.

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4. Write short notes on :

(i) Bonus Share

(ii) ESOP

5

5. Newlite Ltd. issued 20,000 shares of Rs. 10 each payable as under :

On Application Rs. 2

On Allotment Rs. 3

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On First Call Rs. 2

On Final Call Rs. 3

The public applied for 15,000 shares which were allotted accordingly. Give journal entries. 5

6. Cyma Ltd acquired the assets worth Rs. 14,30,000 and took over the liabilities of Rs. 2,20,000 from Syndicate Co. Ltd for a purchase consideration of Rs. 12,60,000. Record journal entries of Cyma Ltd. which issues 11% debenture of Rs. 100 each at 5% premium against the purchase consideration to Syndicate Co. Ltd. 5

Section-B

7. Determine the significance of accounting and the role accounting information plays for different interested parties. 15
8. From the following Trial Balance of Mr. Gupta as on 31st March 2015, prepare Trading A/C, Profit & Loss A/C and Balance Sheet.

Dr.		Trial Balance		Cr.	
Particulars	Amount (in Rs.)	Particulars	Amount (in Rs.)		
Stock on 1st April 2014	500	Capital	2,000		
Purchases	1,500	Sales	3,500		
Land & Buildings	2,000	Sundry Creditors	750		
B/R	300	Commission	50		
Wages	300	B/P	300		
Machinery	800	Loan	600		
Carriage Inward	100				
Carriage Outward	100				
Power	150				
Salaries	200				
Discount Allowed	30				
Drawings	100				
Insurance Premium	20				
Cash at Bank	500				
Cash in Hand	100				
Investment	500				
Total	7,200	Total	7,200		

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Additional Information :

- (i) Stock as on 31st March 1997 is valued at Rs. 200.
 - (ii) Provide depreciation @ 10% on Machinery and @ 5% on Land & Building.
 - (iii) Outstanding Salaries amounted to Rs. 50.
 - (iv) Insurance Premium is paid in advance to the extent of Rs. 10.
 - (v) Allow interest on capital @ 6% per annum.
 - (vi) Interest on loan @ 12% per annum is due for one year. 15
9. Explain the need and significance of providing depreciation. Also, write down the causes of depreciation. 15
10. On 1st April 2016, Rajesh had the following assets and liabilities : Cash in hand Rs. 7,050; Stock Rs. 22,000; Furniture Rs. 3,000; Owing to Naresh Rs. 4,000; Investments Rs. 5,000; Loan from Bank Rs. 2,500; Owing to Ram Rs. 2,000.

2016 April 1	Particulars	Amt. (in Rs.)
1	Bought goods from Ajay	1,650
4	Sold goods to Ram & Co.	2,500
6	Bought goods & paid by cheque	700
7	Rama & Co. returned goods	100
8	Goods sold for cash	550
9	Paid cash into Bank	250
11	Paid rent of shop	340
12	Bought goods from Ajay	3,450
15	Received from Naresh 3,900 in full settlement of his account	
18	Paid to Ram and got cash discount Rs. 20	1,980
21	Withdrew from Bank for personal use	500
25	Bought goods from Ajay and accepted there bill drawn on us	4,000
30	Paid into Bank	1,000

Journalise the above transactions in the books of

Rajesh.

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Section-C

11. Define Joint Stock Company. Explain salient features of a Joint Stock Company. 15

12. A Ltd. company issued 10,000 shares of Rs. 10 each payable as under :

Rs. 2 on application

Rs. 3 on allotment

Rs. 3 on first call

Rs. 2 on final call

The public applied for 9,000 shares. These were allotted. The final call was not made. All the money due on the shares was received except the first call on 400 shares. Give journal entries, ledger accounts and the balance sheet. 15

13. In how many kinds the debentures are classified according to its characteristics ? Explain in detail. 15

14. S Ltd. issued 9% 5,000 debentures of Rs. 100 each redeemable after three years at 10% premium. For

the purpose of redemption a sinking fund was created. Sinking Fund table shows that if Re. 0.31720856 invested at 5% compound interest will accumulate Re. 1 at the end of third year. You are required to pass journal entries and open necessary ledger accounts for the same.

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