Graphic Era
HILL UNIVERSITY
Established by an Act of the State Legislature of Uttarakhand (Adhiniyam Sankhya 12 of 2011)
University under section 2(f) of UGC Act, 1956

End Term (Odd) Semester Examination November 2025

Roll no...............................

Name of the Course and semester: BBA 1
Name of the Paper: Financial Accounting
Paper Code: BBA103

Time: 3 hour

Maximum Marks: 100

Note:
- *(i)* All the questions are compulsory.
- *(ii)* Answer any two sub questions from a, b and c in each main question.
- *(iii)* Total marks for each question is 20 (twenty).
- *(iv)* Each sub-question carries 10 marks.

Q1	(20marks)	
(a)	Define Book-keeping, Accounting, and Accountancy.	
(b)	Explain any four accounting concepts and their significance in financial reporting.	
(c)	From the following transactions, **prepare Journal Entries** and post them into relevant **Ledger Accounts**: 1. Commenced business with cash Rs. 80,000. 2. Purchased goods for cash Rs. 25,000. 3. Sold goods for cash Rs. 20,000. 4. Paid rent Rs. 2,000. 5. Received commission Rs. 1,500. 6. Purchased furniture for cash **Rs. 12,000**. 7. Purchased goods on credit from M/s. Gupta Traders **Rs. 18,500**. 8. Returned goods to Gupta Traders **Rs. 1,500**. 9. Sold goods on credit to Rohan **Rs. 9,000**. 10. Rohan returned goods worth **Rs. 1,000**. 11. Paid salaries **Rs. 5,000**. 12. Received interest on bank deposit **Rs. 800**.	CO1 CO2 CO3
Q2	(20 marks)	
(a)	What is a Cash Book? Differentiate between single column, double column, and triple column cash books.	
(b)	A machine costing Rs. 50,000 depreciates at 10% p.a. Calculate depreciation for four years using: (i) Straight Line Method, and (ii) Diminishing Balance Method.	CO1 CO3 CO5
(c)	Prepare a **Bank Reconciliation Statement** as on 31 March: 1. Balance as per Cash Book: **Rs. 22,400** 2. Cheques issued but not presented: **Rs. 4,200** 3. Cheques deposited but not cleared: **Rs. 3,000** 4. Bank charged bank charges Rs. 200 not recorded in books 5. A customer deposited Rs. 600 directly into the bank	

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6. A cheque for Rs. 5,000 deposited into the bank was dishonoured, but no entry was made in the Cash Book.
7. Bank credited interest on savings account Rs. 350, not recorded in the Cash Book.
8. Bank debited standing instructions for insurance premium Rs. 1,200, not recorded in books.
9. A cheque for Rs. 4,800 issued to a supplier was recorded as Rs. 4,080 in the Cash Book (error).
10. A cheque of Rs. 7,000 received from a customer was entered in the Cash Book but not deposited into the bank.

Q3	(20 marks)	
(a)	Explain the role of Manufacturing Account, Trading Account, and Profit & Loss Account.	
(b)	List five common adjustments (e.g., outstanding expenses, prepaid expenses, depreciation, closing stock, bad debts) and state their treatment in final accounts.	
(c)	From the Trial Balance below, prepare Trading, Profit & Loss Account and Balance Sheet:	CO2 CO3 CO5

Particulars	Debit (Rs.)	Credit (Rs.)
Capital	–	80,000
Drawings	5,000	–
Purchases	40,000	–
Sales	–	70,000
Wages	6,000	–
Rent	4,000	–
Furniture	20,000	–
Debtors	18,000	–
Creditors	–	10,000
Cash	7,000	–
Opening Stock	12,000	–

Adjustments:

1. Closing stock Rs. 15,000
2. Outstanding wages Rs. 1,000
3. Depreciate furniture @10%
4. Prepaid rent Rs. 500

Q4	(20 marks)	CO2 CO3
(a)	Differentiate between issue of shares at par, premium, and discount.	CO2

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(b)	ABC Ltd. issued 10,000 equity shares of Rs. 10 each at a premium of Rs. 2. Money payable: Application Rs. 5 Allotment Rs. 5 + Rs. 2 premium Pass journal entries for the share issue.		

(c)	A shareholder holding 200 shares of Rs. 10 each failed to pay allotment money.
	    (a) Shares were forfeited.
	    (b) Later reissued at Rs. 8 per share.
	
	Give journal entries for forfeiture and reissue, and transfer of balance to Capital Reserve.		

Q5	(20 marks)		
(a)	Define Computerized Accounting System. Give names of any two accounting software packages.	CO2 CO1 CO3	
(b)	Explain four advantages and two limitations of a computerized accounting system.		
(c)	"Computerized accounting is more reliable and efficient than manual accounting." Do you agree? Give any four reasons in support of your answer.		