



K-3523

B. B. A. (Sem. II) Examination
October / November – 2012
Financial Accounting

Time : Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दशावलि निशानीवाणी विगतो उत्तरवडी पर अवश्य लपवी.
Fillup strictly the details of signs on your answer book.

Name of the Examination :

B. B. A. (Sem. 2)

Name of the Subject :

Financial Accounting

Subject Code No. : **3** **5** **2** **3** Section No. (1, 2,.....) : **NIL**

Seat No. :

Student's Signature

- (2) Use of simple calculator is permitted.
- (3) Calculation should form part of the answer wherever necessary.
- (4) Figures to the right indicate marks of the question.

1 The following is the trial balance of Ananya as on 31st March, 2009 : 15

| <i>Particulars</i> | <i>Debit (Rs.)</i> | <i>Credit (Rs.)</i> |
|--|--------------------|---------------------|
| Capital | - | 60,000 |
| Drawings | 8,000 | - |
| 9% Payal's loan (1.6.08) | - | 14,000 |
| Insurance Premium (includes Rs. 400 paid for the year ended on 30.06.09) | 1,200 | - |
| Interest on loan | 630 | - |
| Salary and Wages | 6,450 | - |
| Furniture | 3,000 | - |
| Dead stock | 300 | - |
| Demurrage | 200 | - |
| Motor car | 28,000 | - |
| Miscellaneous expenses | 1,600 | - |
| Goods returns | 2,000 | 1,000 |

| | | |
|---|-----------------|-----------------|
| Contribution to P.F. | 400 | - |
| P.F. | - | 8,000 |
| Cash and Bank | 5,000 | 20,000 |
| Stock (1.4.08) | 18,000 | - |
| Bank Interest | 200 | - |
| Building | 25,900 | - |
| Carriage | 400 | - |
| Discount | 250 | 650 |
| Plant and Machinery | 16,650 | - |
| Depreciation on Plant and Machinery | 1,350 | - |
| Railway Freight and Octroi | 700 | - |
| Purchases and Sales | 30,000 | 64,000 |
| Discount Reserve | 400 | 500 |
| Bad debt Reserve | - | 2,000 |
| Provident Fund Investment and Interest thereon | 8,000 | 480 |
| Debts and Liabilities | 32,000 | 20,000 |
| | 1,90,630 | 1,90,630 |

You are required to prepare annual accounts for the year ended on 31st March, 2009, after considering the following adjustments :

- (i) Purchase value of closing stock is 30,000, of this the market value of 10% and 15% of goods is 12% and 20% respectively less than the purchase value, while market value of 20% goods is 25% more than the book value.
- (ii) On 1.10.08 furniture costing Rs. 1,200 was sold to Arun for Rs. 800. This is entered in the sales book.
- (iii) Increase the depreciation on plant and machinery upto 10% and provide 5% depreciation on furniture.
- (iv) Write off Rs. 1,200 as bad debts from the debtors and maintain bad debt reserve at 5% on debtors.
- (v) Provide Discount Reserve at 2% on Debtors and Creditors.
- (vi) Ananya has taken goods worth Rs. 6,000 on 1.1.08 for her personal use.
- (vii) Provide 10% interest on capital.

- 2 Write journal entries for the following transactions of Varsha. 10

2008

- Dec. 1 Commenced business with cash Rs. 84,000, Debtors Rs. 8,000, Furniture Rs. 5,000, Creditors Rs. 4,000 and 14% Esha's loan Rs. 50,000
- 3 Purchased goods at 10% trade discount from Villy Rs. 10,000, 3/4th goods of this is sold to Silly, so as to realize a profit of 33 1/3% on sales price.
- 5 Purchased goods of Rs. 4,000 from Mily at 10% trade discount and 3% cash discount. Paid 1/4th amount in cash and 1/4th amount by cheque.
- 8 Instructed Ram to send goods of Rs. 10,000 to Shyam in the name of Ghanshyam.
- 10 Paid Rs. 200 in full settlement to Hot Break Stores for a bill of Rs. 215 for goods purchased for domestic use.
- 16 On our instruction our debtor Tiya who owed Rs. 6,200 to us sent Rs. 5,000 to our creditor Frenky to whom we owe Rs. 6,150.
- 20 Withdrawn from bank Rs. 700 for personal use and Rs. 300 for office expenses.
- 22 Received income-tax refund Rs. 800 and sales-tax refund Rs. 700.
- 25 Paid salary Rs. 2,000, rent Rs. 3,000 for cash and life insurance premium Rs. 2,000 by cheque.
- 31 Loan of Esha is returned along with interest.

OR

- 2 From the following transactions of Shri RIA, prepare her three columnar cash book : 10

June 2009

- 1 Cash on hand Rs. 450 and Bank balance Rs. 2,500
- 3 Cash sales Rs. 1,500 and cash purchases Rs. 400
- 5 Received a crossed cheque of Rs. 1,000 against a bill receivable on presentation on the maturity date.

- 8 A creditor Lalita was paid Rs. 490 at a cash discount of 2% by a cheque.
- 10 A hundred rupee note was exchanged for change from which a five rupee note was found to be fake.
- 13 Goods worth Rs. 2,000 was purchased from Edwina less 10% trade discount and 5% cash discount and paid half the amount by cheque.
- 15 A cheque of Rs. 950 deposited in the bank was received from Elvira in full settlement of her account. Her account showed a debit balance of Rs. 960.
- 18 Withdrew from bank Rs. 500 for office expenses and Rs. 300 for personal use.
- 20 Cheque received from Elvira and deposited in the bank was dishonoured. In return cash was received immediately.
- 23 Interest credited by bank Rs. 20.
- 30 Rs. 300 keeping on hand remaining amount was deposited in the bank.
- 3** Payal has two bank accounts viz. No. 1 and No. 2 as on 10 1.7.09, as per pass book of A/c. No. 1 there is a bank overdraft of Rs. 6,500, whereas, as per cash book, there is a bank balance of Rs. 1,200 for A/c No 2.
- Prepare Bank Reconciliation statement as on 30.6.09 for A/c. No. 2 from the following :
- (i) Rishi, a customer, has directly deposited Rs. 900 in bank A/c No. 1 but the bank has credited it in the pass book of A/c No. 2. This was not recorded in the cash book.
- (ii) Cheques of Rs. 6,200 and 3,800 were deposited during the month of June in A/c No. 2 and A/c. No. 1 respectively. Cheques deposited in A/c No. 2 is credited in A/c No. 1 and cheque deposited in A/c No. 1 is credited in A/c No. 2.
- (iii) The trader has under cast the total of the receipt side of cash book of A/c. No. 2 by Rs. 600.

- (iv) Bank interest of Rs. 68 is debited in pass book of A/c No. 1 which was recorded by the trader in the cash book on the receipt side of bank column in A/c No. 2 as Rs. 168.
- (v) Cheques of Rs. 6,500 were issued against A/c No. 2, out of which cheques of Rs. 3,200 were debited in Pass Book of A/c No. 1 and Rs. 1,800 were debited in pass book of A/c No. 2.
- (vi) On 15.6.09, debit b/s. of Rs. 3,000 of A/c. No. 2 in cash book is carried forward as credit balance in A/c No. 1 next day.
- (vii) Interest credited in pass book of A/c No. 2 Rs. 300, were recorded in cash book of A/c No. 1
- (viii) Cheque deposited on 25.6.09 in A/c No. 1 is credited by bank on 3.07.09 in A/c No. 2 amounting to Rs. 2,000.

OR

- 3** Vidya Ltd. purchased certain machineries on 1.1.04 **10**
 for Rs. 1,80,000 for which the cost of carriage was Rs. 10,000
 and cost of installation was Rs. 10,000. Depreciation on
 machinery is charged at 10% p.a. on reducing balance
 method. The accounting year of the firm ends on
 31st December.

On 1.7.06, one fourth of the machinery was sold at 20% more than the book value and another machine costing Rs. 80,000 was purchased on the same date.

On 1.1.07, one fourth of the machinery installed on 1.1.04 was sold at 10% less than its depreciated value. Another machine was purchased on 1.10.07 for Rs. 100,000.

Prepare Machinery Account and Depreciation Account for four years from 2004 to 2007.

- 4** Do as directed : **10**
- (a) State the rule for debiting and crediting the different **2**
 types of accounts.
 - (b) Treating an expense as an asset is an error **2**
 of _____.

- (c) Distinguish between Cash Book and Pass Book. **2**
- (d) Explain : **3**
- (i) Obsolenscence
- (ii) Amortisation
- (iii) Trial Balance
- (e) Distinguish between trade discount and cash discount. **2**
- 5** From the following information of Health and Wealth Sports Club, prepare Receipts and Payments Accounts and Income-Expenditure Account for the year ending on 31.3.09 and Balance sheet as on 31.3.09. **10**
- (i) Balances on 1.4.08 :
- Subscriptions received in advance Rs. 2,000;
 Subscription due but not received Rs. 3,000;
 Unpaid ground rent Rs. 3,000, Cash on hand Rs. 2,000,
 Sports equipments Rs. 10,000; Office building Rs. 30,000
 Capital fund Rs. 40,000
- (ii) Cash transactions of the year 2008-09 :

| | <i>Rs.</i> | | <i>Rs.</i> |
|----------------------------|------------|-------------------------------|------------|
| Subscription received | 50,000 | Printing and Stationery | 1,000 |
| Salary | 15,000 | Postage expenses | 500 |
| Honorarium to club Manager | 9,000 | Repairing Expenses | 3,000 |
| Rent of Ground (paid) | 20,000 | Contribution for Dinner Exp. | 15,000 |
| Annual Dinner Exp. | 11,000 | Donations | 17,000 |
| Entrance Fees | 3,000 | Purchase of Sports Equipments | 10,000 |
| Purchase of Furniture | 8,000 | | |
| Miscellaneous Income | 4,000 | | |
| Electricity Expenses | 5,000 | | |

- (iii) Other Informations :
- (a) Subscription includes Rs. 3,000 received for 2009-10.
- (b) Subscription of Rs. 5,000 for the year 2008-09 are yet to be received.
- (c) Unpaid ground rent is Rs. 1,000
- (d) 50% of entrance fees is to be capitalized.
- (e) Provide for the depreciation at 20% on the closing balances of building, furniture and sports equipments.

OR

- 5 (a) You are recently installed Tally in your P.C. and intend to create your company. Discuss how would you do so ? Also explain the short cut to make voucher entry. 6
- (b) Explain the various options in the menu and the functions of the various buttons appearing at the gateway of Tally menu in brief. 4
- 6 Short notes : (any three) 15
- (i) Types of Assets
 - (ii) Sinking fund method of depreciation
 - (iii) Petty cash book
 - (iv) Historical cost concept
 - (v) Subsidiary books system.
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