

Seat No. : \_\_\_\_\_

# DB-108

December-2018

B.B.A., Sem.-I

## CC-102 : Financial Accounting

Time : 2:30 Hours]

[Max. Marks : 52

Instruction : Simple Calculators are allowed.

1. (A) Explain various types of accounts with illustrations and discuss the rules of Debit and Credit with examples. 14

OR

Attempt the following:

- (i) Difference between Book-keeping and Accountancy. 7
- (ii) Discuss various Accounting concepts in brief. 7
- (B) Do as Directed (Any **Four**) 4
- (1) Which is not a branch of Accounting ?
- (A) Cost Accounting
- (B) Financial Accounting
- (C) Double Entry Accounting
- (D) Management Accounting
- (2) Which of the following is not concerned with book-keeping ?
- (A) Ledger
- (B) Journal
- (C) Transaction
- (D) Bank Statement
- (3) Which of the following is a Personal Accounting ?
- (A) Motor Car Account
- (B) Rent Account
- (C) Creditor's Account
- (D) Cash Account

- (4) Who are interested in 'Accounts' ?
- (A) Employees  
 (B) Proprietors  
 (C) Creditors  
 (D) All of the above
- (5) Subscription is a \_\_\_\_\_ income. (Revenue / Capital)
- (6) Accrual concept is closely related to 'Matching' concept. (True/False)

2. (A) From the following information of 'Sitara Sports Club', prepare **Income and Expenditure Account** for the year ending on 31<sup>st</sup> March, 2018, and **Balance Sheet** as on that date :

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**Receipt and Payment Account**  
 (For the Year ended on 31.03.2018)

Receipts	₹	Payments	₹
To Balance b/d	10,000	By Purchase of Sports Equipments (01.04.2017)	10,000
To Subscription	25,000	By Purchase of furniture (01.10.2017)	5,000
To Interest on Investments (at 10% for full year)	2,750	By Construction of Building	25,000
To Income from annual function	15,750	By Expenses of annual programme	7,500
To Entrance Fees	2,500	By Salaries	15,000
To Donation for Building	25,000	By Rent, rates and insurance	5,000
		By Miscellaneous Expenses	7,500
		By Balance c/d	6,000
	<b>81,000</b>		<b>81,000</b>

**Additional Information :**

- (1) One half of entrance fees are to be capitalised.
- (2) Depreciate furniture 10% p.a. and sports-equipments at 20% p.a.
- (3) Capital fund as on 1.4.2017 was ₹ 53,500.

(4) **Other Information :**

Particulars	1.4.2017 ₹	31.3.2018 ₹
• Outstanding subscription	2,500	1,000
• Subscription received in advance	250	150
• Outstanding salaries	2,000	1,500
• Pre-paid Insurance	1,000	500
• Furniture	15,000	20,000

**OR**

Attempt the following :

- (i) Give difference between Capital Expenditure and Revenue Expenditure. 7
- (ii) Explain how final accounts of non-trading concern differs from those of trading concern. 7

(B) Do as Directed : (Any **Three**) 3

- (1) Receipt and Payment Account is like \_\_\_\_\_ Account.  
(Trading A/c. / Cash A/c.)
- (2) In Non-Trading concerns, 'Net Profit' is known as \_\_\_\_\_.  
(Excess of income over expenses / Net surplus)
- (3) The subscription received in advance during the current year will be treated as :  
(A) an asset (B) an income  
(C) a liability (D) a contingent liability
- (4) Income and Expenditure A/c. is like Profit and Loss Account. (True/False)
- (5) In Non-trading concerns excess of assets over liabilities are known as  
(A) Capital (B) Capital Fund  
(C) Donation (D) Drawings

3. (A) From the following trial balance of Shree Mahaveer, prepare Trading Account, Profit and Loss Account and Balance Sheet as the Final Accounts for the year ending on 31.03.2018.

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Names of Account	Debit ₹	Credit ₹
• Capital		1,53,380
• Stock (1.4.2017)	93,600	
• Sales		7,79,200
• Returns	17,200	11,600
• Purchases	6,43,400	
• Salaries and wages	18,600	
• Rent and Taxes	9,400	
• Carriage Inward	39,200	
• Printing and Stationery	28,800	
• Postage and fax expenses	4,660	
• Travelling expenses	1,740	
• Debtors and Creditors	48,000	29,600
• Bank loan and interest on it @ 14%	2,200	40,000
• Discount	3,600	12,880
• Drawings	20,000	
• Cash balance	760	
• Bank balance	16,000	
• Furniture and fittings	50,000	
• General expenses	22,900	
• Insurance premium	2,600	
	<b>10,22,660</b>	<b>10,22,660</b>

**Additional Information :**

- (1) Stock on 31.3.2018 = ₹ 1,57,200.
- (2) Provide depreciation on furniture at 10% p.a.

- (3) Credit purchase invoice amounting to ₹ 8,000 is not recorded.
- (4) 1/4 amount of printing and stationery is to be taken in the next year.
- (5) Personal purchases of Mahavir amounting to ₹ 1,400 is recorded in purchase book.
- (6) Write off ₹ 1,000 for bad debts and create bad debts reserve at 2% on debtors.
- (7) Goods costing ₹ 20,000 was destroyed by riots and Insurance Company has accepted a claim of ₹ 15,000, which was not recorded in the books.

**OR**

- (i) From the following information, you are required to prepare Trading Account; Profit and Loss Account of Shri Shoorveer.

Particulars	₹	Particulars	₹
Stock (1.4.2017)	90,000	Capital	2,00,000
Salary (upto 28.2.2018)	28,600	Creditors	80,000
Drawings	20,000	Discount	3,800
Debtors	1,40,000	Bad Debt Reserve	5,800
Leasehold Premises (1.10.2017 for 5 years)	80,000	Bank Balance	6,000
Carriage Inward	1,000	Sales	5,00,000
Carriage Outward	2,400	Return	20,000
Trade Expenses	1,600	Commission	1,400
Discount	3,400	Interest received on investment	3,000
Bad Debts	2,800		
Cash	5,000		
Wages	30,000		
Purchases	2,000		
Return	18,000		
Machinery	50,000		
10% Investments (30.9.17)	1,40,000		
Insurance premium (upto 1.7.2018)	7,200		
	<b>8,20,000</b>		<b>8,20,000</b>

**Additional Information:**

- (1) Depreciate machineries at 10% p.a.
- (2) Interest on Capital and Drawings @ 10% p.a.
- (3) Bad debts of ₹ 4,000 and Bad Debts Reserve of 5% is required to be provided on debtors.
- (4) Goods burnt by fire - ₹ 10,000 and Insurance company has accepted a claim of ₹ 8,000.
- (5) Commission due but not received ₹ 2,600 and outstanding trade expenses ₹ 400.
- (6) Value of closing stock is ₹ 40,000, of which value of 90% on stock is 10% less and value of 10% stock is 90% more.

(ii) What are Final Accounts ? Explain the objectives of preparing final Accounts. 7

(B) Do as Directed : (Any **Three**) 3

(1) Owner's drawings will be deducted from :

- (A) Sales
- (B) Net Purchases
- (C) Capital
- (D) Assets

(2) Suspense Account's Credit Balance is shown on \_\_\_\_\_ side of balance sheet.

(3) Loss on sale of old furniture is debited in \_\_\_\_\_ A/C.

(trading account/ profit and loss account)

- (4) Audit fees will be charged in
- (A) Trading Account
  - (B) Profit and Loss Account
  - (C) Liabilities in Balance Sheet
  - (D) Assets in Balance Sheet
- (5) Bank Overdraft is a long term liability. (True/False)
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