Seat No. : 1634

FG-109

February-2025

B.B.A., Sem.-1

DSC-M-BBA-113 : Financial Accounting

Time : 2:00 Hours] **[Max. Marks : 50**

1. Write short notes on : **10**
   (1) Objectives of Accounting
   (2) Rules of Debit and Credit

OR

1. (A) Discuss difference between Capital Expenditure and Revenue Expenditure. **5**
1. (B) State which accounting concept, convention or principle is suggested by the following statements : **5**
   (1) Personal expenses of a trader are not recorded in the books of accounts of the business.
   (2) Fixed assets are shown at market price in the balance sheet.
   (3) Depreciation is charged on assets every year by the same method.
   (4) Closing stock is valued at either its cost or market price, whichever is less.
   (5) Entries are made in accounts on the basis of supporting vouchers.

2. From the following information of Surat Youth Club prepare its Income & Expenditure Account for the year ended on 31-3-2024 and a Balance Sheet as on that date : **10**

Receipts and Payment Account

Dr. **for the year ended on 31-3-2024** **Cr.**

Receipts	₹	Payments	₹
To Balance b/d	75,000	By Purchase of Sports Equipments	1,25,000
To Entrance fees (50% capitalized)	1,50,000	By Salaries	1,50,000
To Subscriptions	2,50,000	By Rent, rates and taxes	1,20,000
To Interest on 10% investment	20,000	By Postage & stationery	60,000
To Canteen collection	6,00,000	By Newspaper and magazines	50,000
To Sale of 10% investment on 1-10-2023 (Cost price ₹ 1,00,000)	85,000	By Miscellaneous expenses	80,000
To Sale of Pasti	5,000	By Canteen expenses	5,50,000
		By Balance c/d	50,000
	11,85,000		**11,85,000**

Additional Information :

(1)

Particulars	As on 31-3-23 ₹	As on 31-3-24 ₹
Subscription Outstanding	25,000	35,000
Subscription received in advance	5,000	7,500
Salaries Outstanding	10,000	12,500
Sports Equipments	3,00,000	2,50,000
10% Investments	4,00,000	3,00,000
Furniture	2,00,000	1,60,000

(2) Opening Capital Fund ₹ 9,85,000.

OR

2. (A) Difference between Receipts & Payments A/c and Income & Expenditure A/c. 5

2. (B) Difference between the Final Account of trading and non-trading concerns. 5

3. From the following balances taken from the ledger of Shri Mithun Shah on 31st March, 2024, prepare the Trading Account, Profit & Loss Account for the year ending on 31st March, 2024 and Balance Sheet as on that date : 10

Debit Balances	₹	Credit Balances	₹
Drawings	18,000	Capital Account	2,40,000
Plant & Machinery	75,000	Sundry Creditors	30,000
Opening Stock	45,000	Sales	3,60,000
Purchases	2,46,000	Purchase Return	3,000
Sales Return	6,000	Provision for Bad Debts	1,200
Sundry Debtors	61,800	Discount	6,000
Furniture	15,000		
Freight	6,000		
Carriage Outward	1,500		
Rent	13,800		
Printing & Stationery	2,400		
Trade expenses	1,200		
Postage & Telegram	2,400		
Insurance	2,100		
Salaries & Wages	63,900		
Cash on hand	18,600		
Cash at Bank	61,500		
	6,40,200		**6,40,200**

Adjustments :

(1) Closing Stock is valued at ₹ 42,000.

(2) Write off ₹ 1,800 as bad debts.

(3) The provision for doubtful debts is to be maintained at 5% on Debtors.

(4) Provide for depreciation on Furniture at 5% and on Plant and Machinery at 20% per annum.

(5) Goods of ₹ 15,000 were burnt by fire and insurance company admitted the claim in full.

OR

3. (A) Give the specimen of Trading A/c. **5**

3. (B) Discuss difference between Trial Balance and Balance Sheet. **5**

4. Mamta and Bindu entered into a joint venture to purchase a piece of land and construct a housing society. For this purpose they opened a joint bank account, in which Mamta deposited ₹ 10,00,000 and Bindu deposited ₹ 12,00,000. **10**

They purchased 10,000 sq. meter land at ₹ 200 per sq. meter and paid money from bank. They paid following expenses for this purpose :

	₹
Cost of earth filling	50,000
Municipal taxes	30,000
Built a wall around the land has been paid by Mamta	1,40,000
Architect's fees paid by Bindu	16,000
Registration documents expenses paid by Bindu	30,000
Stationery expenses paid by Mamta	10,000
Advertisement expenses paid by Bindu	42,000
Cutting of tree expenses paid by Mamta	4,000

Timber wood of tree sold for ₹ 22,000 by cash. 1/4 portion of land has been allotted for public roads. 1/10 portion of lands has been allotted for common plot. They sold 10 plots of 300 sq. meters at ₹ 500 per sq. meter for cash through land brokers. Brokers were paid 5 % brokerage on selling price. Bindu purchases 2 plots of 300 sq. meters at cost plus 10% profit. Mamta purchases 3 plots of 300 sq. meters at cost plus 10% profit and rest 8 plots of 250 sq. meters were sold at ₹ 650 per sq. meter for cash.

Mamta and Bindu share profit & loss in proportion of 2 : 3. Joint Venture has been completed. Prepare Joint Venture Account, Joint Bank Account, Mamta Account and Bindu Account.

OR

4. (A) Discuss difference between Joint Venture and Partnership. 5

4. (B) What is Joint Venture ? Discuss the features of Joint Venture. 5

5. Do as Directed : (Any **ten**) **10**

(1) Write Accounting Equation.

(2) Drawings account is _________ A/c. (Personal / Real / Nominal)

(3) Donation is a _________ income. (Capital / Revenue)

(4) Contingent liabilities may become actual liabilities on happening of a future contingent event. (True / False)

(5) In Non-trading concerns excess of assets over liabilities are known as _________. (Capital / Capital Fund)

(6) Income and expenditure account is just like _________ account. (Profit & Loss / Cash / Trading)

(7) Balance Sheet shows financial position of the business. (True / False)

(8) Creditors is ____. (Liability / Assets)

(9) Assets which have a short term life are called ___. (Fixed Assets / Current Assets)

(10) ______ account is not opened under Joint Venture Accounts. (Joint Bank Account / Stock Reserve Account / Co-Venture's Account)

(11) Co-Operative Societies Act is applied to the Joint Venture business. (True / False)

(12) Joint Venture is a ______ partnership. (temporary / permanent)