BBA-103
Financial Accounting

Bachelor of Business Administration (BBA-10/12/16/17)
1st Semester Examination 2019

Time : 3 Hrs   Maximum Marks : 80

Note : This paper is of Eighty (80) marks diveded into three (03) sections A, B and C. Attempt the questions contained in these sections according to the detailed instructions given therein.

Section –A

(Long Answer Type Questions)

Note : Section 'A' contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer any two (02) questions only.   (2 x 19 = 38)

1. Describe Double Entry system. State its advantages and disadvantages.
2. Discuss in detail nature, scope and limitations of financial accounting.
3. What is the imprest system of petty cash book ? Explain its advantages and prepare petty cash book with imaginary transaction.
4. On 31st march 2017, the bank balance as per Rajesh Chauhan's cash book was Rs. 17,280/- debit. on comparing the

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cash book with the pass book. following difference were found:

    I.   Cheques for Rs. 8,400/- sent to bank for collection have not been cleared by the bank so far.

   II.   Cheques issued but not yet presented for payment Rs. 5,600.

  III.   There is a debit of Rs. 80 in the passbook for bank charges, but not recorded in cash book.

  IV.   Bank has creditd Rs. 240 for interest in the passbook but not recorded in cash book.

   V.   A customer deposited Rs.2,000 direct in the bank but these were recorded only in pass book.

  VI.   According to standing orders of Rajesh chauhan the bank has made the following payment by debiting this account.

      (i) Club fees Rs. 500

      (ii) Life Insurance Premium Rs. 2,500

        These were not recorded in cash book prepare a bank reconcilation statement as 31/03/2017

Section – B

(Short- answer- type questions)

Note : Section 'B' contains eight (08) short answer type questions of Eight (08) marks each. Learners are required to answer any four (04) questions only.   (4 x 8 =32)

1. Differentiate between gross profit and net profit.

2. Explain written down value method of depreciation in detail.

3. Explain undercasting an overcasting. How will you rectify these errors?

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4. Why do we need a suspense account?

5. What are current asset and Liquid asset. Give suitable Example .

6. Acconting is the language of business but it fails to depict the true value of business. comment

7. Pass journal entries for the following :

   Jan5   Purchased goods for cash Rs. 10,000 and spent Rs. 200 for their carriage

   Jan10   Purchased machinery for cash Rs. 50,000 and spent Rs. 500 for its carriage.

   Jan15   Paid Rs. 20,000 (Twenty thousand) for cement Rs. 10,000 for timber and Rs. 5,000 as wages for the construction of building

   Jan17   Purchased an old machinery for Rs. 20,000 and spent Rs. 2,500 on its immediate repair.

   Jan 20   Paid Rs. 500 For repairing some other machinery

8. Why and by whom an income and expenditure account is prepared ?

Section –C

(Objectiove Type Questions)

Note : Section 'C' contains ten (10) objective type questions of one (01) mark each. All questions of this section are compulsory.

(10 x 1 = 10)

Fill in the blanks :

1. Receipts and payment A/c is a _____account . (Personal, Real, Nominal)
2. Subscription received by an institution is a _____receipt. (Capital , Revenue)
3. Credit sales can be as certained as the balancing figure in the _____account. (Debtors,Creditors)
4. Closing capital is Rs. 5,00,000 and Opening capital is 4,00,000 but profit ascertained is Rs. 140,000 as such there must be a _____of Rs. 40,000.
5. Depreciation represents a_____in the value of fixed asset.

State whether the following statement are :

True and False :

6. Personal account always show debit balance.
7. Opening entry is passed for this first transaction of each day.
8. Cost of goods Sold+gross profit=Net profit.
9. Discount colums are not balanced in the cash book.
10. Assets and liabilities are two sides of cash book .

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