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(20112)

Roll No.

BBA-I Sem.

NP-3042

B.B.A. Examination, Dec. 2011

Financial Accounting

(BBA-105)

(Old Course-I)

Time: Three Hours] [Maximum Marks : 75

Note: Attempt all the sections as per instructions.

Section - A

(Very short Answer Questions)

Note: Attempt all **five** questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words.

1. What do you mean by an Account?
2. What do you understand by Petty Cash Book?
3. Why Bank Reconciliation Statement is prepared?
4. What is a Suspense Account?
5. What is Sinking Fund Method of depreciation?

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Section - B

(Short Answer Questions)

Note: Attempt any **two** questions out of the following 3 questions. Each questions carries 7½ marks. Short answer is required not exceeding 200 words.

6. What is Balance sheet? Why is it prepared?
7. What is the difference between Receipt and Payment Account and Cash Account?
8. On July 1, 1997 Mr. Jhun Jhunwala purchased a second - hand machinery for Rs. 20,000 and spent Rs. 3000 on reconditioning and installing it. On Jan 1, 1998 he purchased new machinery worth Rs. 12000, On June 30, 1999 the machinery purchased on Jan 1, 1998, was sold for Rs. 8000 and on 1st July 1999, fresh plant was installed at Rs. 15000. Mr. Jhun Jhunwala writes of 10% on the Original Cost. The accounts are closed by him on 31st March every year. Show the Machinery Account for the three years ended 31.3.2000.

Section - C

(Detailed Answer Questions)

Note: Attempt any **three** questions out of the following 5 questions. Each questions carries 15 marks. Answer is required in details.

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9. What do you understand by Accounting? What are the Branches of Accounting?

10. What are the various methods of preparing Trial Balance? Explain those errors which affect Trial Balance.

11. From the following particulars, prepare income and expenditure account:

(i) Fees Collected, including Rs. 80,000 on account of the previous year	380000
(ii) Fees for the year outstanding	10000
(iii) Salary paid, including Rs. 3000 on account of the Previous Year	28000
(iv) Salary outstanding at the end of the year	1000
(v) Entertainment expenses	3000
(vi) Tournament expenses	12000
(vii) Meeting expenses	18000
(viii) Travelling expenses	6000
(ix) Purchase of books and periodicals, including Rs. 19000 for purchase of books	29000
(x) Rent	10,000
(xi) Postage, Telegram and Telephone	15000
(xii) Printing and stationery	4000
(xiii) Donations received	20,000

12. Mention the circumstances of Dissolution of a firm and How settlement of Accounts on Dissolution is done?

13. A and B are partners sharing Profits and Losses as 3:2, C comes in and profit sharing ratio become 3:2:1. The Balance sheet of A&B before C' admission is as below :

Balance sheet of A, B & Co.

	Rs.		Rs.
A's Capital	50000	Land & Building	15000
B's Capital	40000	Machinery	20000
Sundry Creditor	15000	Stock	30000
Outstanding Exp.	5000	Debtor	40000
		Cash at Bank	5000
	<u>110000</u>		<u>110000</u>

Land & Building are valued at Rs. 25000. Machinery is valued 10% above book value. Stock is valued 5% less, Debtors are to be valued 7.5% below. One trade Creditor for Rs. 1000 is due for many years and he is not traceable. On the otherhand, One contingent liability for expenses Rs. 500 has matured and it is not recorded in the books.

Pass necessary adjustment entries before C's admission, prepare Profit & Loss Adjustment Account and Balance sheet before C comes in.