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(21213) Roll No.

BBA-I Sem.

NP-3042

B.B.A. Examination, Dec. 2013

Financial Accounting

(BBA-105)

(Old Course-I)

Time : Three Hours / [Maximum Marks : 75

Note: Attempt **all** Sections as per instructions.

Use of calculator is allowed.

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. $5 \times 3 = 15$

P.T.O.

1. Give the meaning of Accounting. What are the Branches of Accounting?
2. What is Bank Reconciliation Statement? Explain the purpose of preparing such a statement.
3. What rules of partnership are followed in the absence of Partnership Deed?
4. What is meant by convention of consistency?
5. What are the limitations of Accounting Principles?

OR

What do you mean by Trial Balance? Explain the errors which are not disclosed by the Trial Balance?

Section-B

(Short Answer Questions)

Note: Attempt any **two** questions out of the following 3 questions. Each question carries 7.5 marks. Short answer is required not exceeding 200 words. $2 \times 7.5 = 15$

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6. Swati Ltd. whose books are closed on 31st Dec., purchased a machinery for Rs.50,000 on 1st Jan. 2002. Additional machinery was acquired for Rs.10,000 on 1st July 2003 and for Rs. 16,000 on 1st January 2006. Certain machinery purchased for Rs. 10,000 on 1st July 2003 was sold for Rs. 5,000 on 30th June 2005. Show machinery account for 5 years writing off depreciation at 10% per year on written down value.

7. From the following information, prepare a Bank Reconciliation statement as on 31st December 2011 :

- (i) Balance as per Cash Book Rs. 2,700
- (ii) Cheques drawn but not presented for payment Rs. 1,200
- (iii) Cheques deposited but not yet collected Rs.1,700

(iv) Bank charges Rs. 80

(v) Cheque issued to a creditor for Rs. 800 was by mistake entered in the cash column of the Cash Book. The same has not been presented for payment till today.

8. How would the following errors in the books of account :

- (i) Rs. 5000 received from a customer posted to credit of partner.
- (ii) Rs. 2500 sales to Ahmed, posted the debit of Commission Account
- (iii) The Sales Returns Book was undercost by Rs. 2000
- (iv) Rs. 6000 paid for furniture was debited to Repairs Account
- (v) Closing stock was overcost by Rs. 12000.

(vi) Rs. 173 discount allowed has been posted as Rs. 317.

OR

What is a Trading Account? How does it differ from a Manufacturing Account?

Section-C

(Detailed Answer Questions)

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

$$3 \times 15 = 45$$

9. Define Partnership and its characteristics. Also explain Partnership Deed.
10. What is goodwill? Explain clearly the different methods of valuation of goodwill.
11. Megha and Swati share profits & losses equally. The Balance Sheet of the partners stood at 31st December 2011 as follows :

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P.T.O.

Balance Sheet

as on 31st December 2011

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Creditors	23,000	Buildings	50000
Loan by Swati	30,000	Debtors	31,000
Megha's Capital	10,000	Stock	22,000
Swati's Capital	40,000		
	103,000		103,000

They decided to dissolve the Partnership. The realisation of Assets were Building 60% Delton 70%, Stock 75%. Prepare necessary accounts.

12. Dr. Gupta commenced practice on 1st January, 2010. His receipts and Payments Account for the year was as follows :

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Receipts	Rs.	Payments	Rs.
To Cash introduced	10,000	By Furniture	9,000
To Visits	32,000	By Purchase of Drugs	6,000
To Receipts from dispensing	20,000	By Rent	3000
To Miscellaneous Receipts	200	By Conveyance	2000
		By Lighting	500
		By Journals	400
		By Drawings	24000
		By Balance end	13300
	62,200		62,200

Amounts still receivable on account of visits and dispensing are Rs. 2000 and Rs. 1200 respectively, salary of compounder still payable is Rs. 400, 40% of conveyance is for domestic purposes. Stock of drugs still on

hand is Rs. 1600, amount still payable for their purchase is Rs. 400. Furniture is subject to depreciation at 10%.

Prepare the Receipts and Expenditure of Dr. Gupta for 2010 and his Balance Sheet as at its end.

13. Differentiate between :

- Outstanding Expenses and Prepaid Expenses
- Interest on Capital and Interest on Drawings
- Accrued and Unaccrued Income.