

(20115)

Roll No.

BBA - I Sem.

NP-3042

B. B. A. Examination, Dec. 2014

Financial Accounting

(BBA-105)

(Old Course-I)

Time : Three Hours]

[Maximum Marks : 75

Note: Attempt questions from all Sections as per instructions. Calculator can be used.

Section-A

(Very Short Answer Questions)

Answer all the *five* questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words. 3×5=15

1. Define Accounting.

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2. What is the difference between Book-keeping and Accounting?
 3. What is meant by ledger? Why is it maintained?
 4. What are objectives of a trial balance?
 5. State briefly the necessity of providing depreciation.

Section-B

(Short Answer Questions)

Answer any *two* questions out of the following three questions. Each question carries $7\frac{1}{2}$ marks. Short answer is required. $7\frac{1}{2} \times 2 = 15$

6. Prepare a Bank Reconciliation Statement from the following particulars on 30th June, 2012:
Bank statement showed a favourable balance of Rs. 9,214.
 - (i) On 29th June, 2012 the bank credited the sum of Rs. 1,650 in error
 - (ii) Some cheques valued at Rs. 4,500 issued before 29th June, 2012 were not cleared

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(3)

- (iii) A hire purchase payment of Rs. 950 made by a standing order was not entered in the cash book.
- (iv) A cheque of Rs. 600 received, deposited and credited by bank, was accounted as a receipt in the cash column of the cash book.
- (v) Other cheques for Rs. 8,500 were deposited in June but cheques for Rs. 6,000 only were cleared by the bankers.

7. Green Ltd. purchased machinery on 1st May, 2010 for Rs. 60,000. On 1st July, 2011 it purchased another machine Rs. 20,000. On 31st March, 2012, it sold off the first machine purchased in 2010 for Rs. 38,500 and on the same date purchased a new machinery Rs. 50,000. Depreciation is provided at 20% yearly on the original cost each year. Accounts are closed each year on 31st December. Show the Machinery A/c up to 31st December, 2013.

8. What are different classes of errors ? Which of them do not affect a trial balance ?

(4)

Or

From the following items of Receipts and Payment A/c. of Young Club, prepare an Income and Expenditure A/c for the year ended 31st March, 2010 :

	Rs.
Salaries paid	50,000
Lighting	5,000
Printing and stationery (including Rs. 500 for the previous year)	3,500
Subscription received (including Rs. 2,000 received in advance and Rs. 5,000 for the previous year)	40,000
Net proceeds of refreshment room	45,000
Miscellaneous exp.	16,000
Interest paid on loan for half year	1,200
Rent and rates (including Rs. 1,000 prepaid)	7,500
Lockers rent received	4,500
Subscription in arrears on 31st March, 2010 were Rs. 8,000 and half year's interest on loan was also outstanding.	

(5)

Section-C

(Detailed Answer Questions)

Answer any *three* questions out of the following five questions. Each question carries 15 marks. Answer is required in detail. $15 \times 3 = 45$

9. What is goodwill ? What are the various methods of valuation of goodwill ? Discuss with examples.
10. What is Realization Account ? How and when is it prepared ? How does it differ from revaluation account ?
11. Arun, Swati and Geetika are equal partners in a firm. Their Balance Sheet is given below :

Balance Sheet as on 31st Dec. 2009

Liabilities	Rs.	Assets	Rs.
Creditors	18,000	Machinery	20,000
Reserve fund	3,000	Furniture	1,000
Capital :		Debtors	20,000
Arun 10,000		Stock	10,000
Swati 8,000			
Geetika <u>12,000</u>	30,000		
	51,000		51,000

(6)

Geetika retired on 31st December, 2009 and assets were revalued as follows :

Machinery Rs. 25,000, Furniture Rs. 800, Debtors Rs. 19,000 and Stock Rs 9,800. Goodwill is valued at Rs. 6,000.

Prepare necessary Accounts and new Balance Sheet.

12. Explain the accounting policy relating to stock valuation.
13. What are the basic concepts of Financial Accounting ? What are their limitations ?