

- (b) Rs. 1,000 received from a customer in respect of a debt previously written off credited to his personal account.
- (c) Goods costing Rs. 1,500 were sent on sale or return basis for Rs. 2,000 which was included in sales, though no information was received from the customers.
- (d) An account of Rs. 5,000 on account of a claim against the merchant was in dispute and it was estimated that Rs. 2,000 would probably have to be paid on this account.
- (e) Actual cash balance in the office cash box is Rs. 8,000 though the books of account shows Rs. 8,500. Show the necessary adjusting entries in the merchant's journal. **12**

**Roll No. ....**

**Exam Code : J-19**

**Subject Code—0754**

**B. B. A. (First Year) EXAMINATION**

(Batch 2009 to 2017 Reappear)

**FINANCIAL ACCOUNTING-I**

**BBA-104**

*Time : 3 Hours*

*Maximum Marks : 70*

**Section A**

**Note :** Attempt any *Seven* questions. **7×5=35**

- 1.** What are the functions of accounting ?
- 2.** Differentiate between accounting concepts and accounting conventions.
- 3.** Discuss the objectives of preparing a Trial Balance.

4. What are the features of a Voucher ?
5. Define the term 'Journal' and explain its present day use.
6. What are the advantages of single entry book-keeping ?
7. Is depreciation a source of fund ?
8. Why is bank reconciliation statement prepared ?
9. Distinguish between statement of Affairs and a Balance Sheet.
10. Explain the sinking fund method of charging depreciation.

### Section B

**Note :** Attempt all the questions.

11. "Ledger is the principal book of accounts in a business." Do you agree with this statement ? Give reasons.

*Or*

How do you treat the following at the time of preparation of final accounts of a non-profit organization :

- (a) Donations
- (b) Legacy
- (c) Life membership fee. **12**

12. What are the implications of LIFO and FIFO methods in the periods of rising and falling prices ?

*Or*

After the preparation of Profit and Loss Account, the following transactions were overlooked :

- (a) The opening and closing stock were correctly valued amounted to Rs. 40,000 and Rs. 35,000 respectively, but they have both been included in the Trading Account at 20% less.

Cash in Hand	800	—
Bills Payable	—	5,000
Reserve	—	20,000
Sales	—	2,71,700
Closing Stock	60,000	—
	<u>3,77,050</u>	<u>3,77,050</u>

The following adjustments are required :

- (i) R gets a salary of Rs. 9,000 p.a.
- (ii) Allow 5% interest on capital.
- (iii) Bad Debt Provision to be adjusted to 2% on Sundry Debtors.
- (iv) 2½% of the net profit to be credited to Reserve.
- (v) It was discovered in January 2002 that stock sheets as on 31-12-2001 were overcast by Rs. 1,000.

You are required to prepare Trading and Profit and Loss Account for the year ended 31st Dec., 2002 and a Balance Sheet as at that date.

**11**

**13.** Perfect Private Limited has two accounts with Ever Bank Ltd. The accounts were known as Account I and Account II. As at 31st December, 2002, the balance as per account book reflected the following :

Account I : Rs. 1,25,000 (Regular Balance;  
Account II : Rs. 1,11,250 (overdraft balance).

The accountant failed to tally the balance with the Pass Book and the following information was available :

- (i) The bank has charged interest on Account II Rs. 11,375 and credited interest on Account I Rs. 1,250. These were not recorded by the accountant.
- (ii) Rs. 12,500 draw on December 10, 2002 from Account I was recorded in the books of Account II.
- (iii) Bank charges of Rs. 150 and Rs. 1,125 for Account I and Account II were not recorded in the books.

(iv) A deposit of Rs. 17,500 in Account I was wrongly entered in account II in the books.

(v) Two cheques of Rs. 12,500 and Rs. 13,750 deposited in Account I, but entered in Account II in the books, were dishonoured. The entries for dishonoured cheques were entered correctly in Account II.

(vi) Cheques issued for Rs. 1,50,000 and Rs. 15,000 from Account I and II respectively, were not presented until January 5, 2003.

(vii) Cheques deposited Rs. 1,25,000 and Rs. 1,17,500 in Accounts I and II respectively, were credited by the bank only on February 2, 2003.

You are required to prepare the Bank Reconciliation Statement for Account II.

*Or*

On 31-12-2002 the following Trial Balance was prepared from the books of R :

<b>Particulars</b>	<b>Dr. Rs.</b>	<b>Cr. Rs.</b>
Sundry Debtors	50,600	—
Sundry Creditors	—	10,000
Bills Receivable	5,000	—
Plant and Machinery	75,000	—
Purchases (Adjusted)	1,00,000	—
Capital	—	70,000
Freehold Premises	50,000	—
Salaries	11,000	—
Wages	14,400	—
Postage and Stationery	750	—
Carriage In	750	—
Carriage Out	1,000	—
Bad Debts	950	—
Bad Debt Provision	—	350
General charges	1,500	—
Cash at Bank	5,300	—