

- (f) Included among debtors was ₹ 2,000 due from Mr. A and creditors included ₹ 4,000 due to him.
- (g) Purchased invoices amounted to ₹ 500 were omitted from the books.
- (h) A salary paid by cheque to an employee ₹ 1,000 was wrongly entered in the bank column of cash book as ₹ 100.
- (i) Difference in trial balance transferred to suspense account was on account of wrong totalling of discount received column on credit side of cash book.

Required :

- (1) Trading and Profit & Loss Account
- (2) Balance Sheet. 14

Unit III

- 6. What are different classes of errors ? Which of them do not affect trial balance ? Discuss. 14

Roll No.

Exam Code : J-19

Subject Code—0761

B.B.A. (First Year) EXAMINATION

(For Batch 2018 Onwards Main)

FINANCIAL ACCOUNTING

BBA-104

Time : 3 Hours

Maximum Marks : 70

Note : Attempt *Five* questions in all, selecting at least *one* question from each Unit in addition to compulsory Q. No. 1.

- 1. Describe the following :
 - (i) Nature of accounting
 - (ii) Journal *versus* Ledger
 - (iii) Depletion
 - (iv) Dishonour of bill of exchange
 - (v) Suspense Account
 - (vi) Subscription
 - (vii) Normal Loss *versus* Abnormal Loss.

7×2

Unit I

2. "The accounting process is a series of activities that begins with a transaction and ends with the closing of the books." Comment. **14**
3. What is Trial Balance ? Explain the different methods of preparing Trial Balance. **14**

Unit II

4. "Depreciation is a process of allocation and not of valuation." Comment. **14**
5. The following Trial Balance is given to you :
Trial Balance as on 31-12-2018

	Amount		Amount
Opening stock	1,00,000	Capital	1,60,00
Debts	40,000	Creditors	35,100
Bank	12,000	Sales	3,02,000
Sundry Assets	1,93,000	Discount and	
Bad Debts	1,000	Commission	2,800
Accrued commission	1,500	Provision for	
Purchases	1,23,500	Doubtful Debts	

Depreciation	4,500	(1-1-2018)	6,000
Income-tax	10,000	Salaries	
Salaries	4,600	Outstanding	2,000
Wages	28,000	Loan (1-7-2018)	10,000
Interest on Loan		Suspense	
(for six months)	1,000	Account	1,200
	<u>5,19,100</u>		<u>5,19,100</u>

Adjustments :

- (a) Closing stock amounted to ₹ 20,000.
- (b) Loss by fire was ₹ 25,000 and an insurance claim of ₹ 10,000 was admitted.
- (c) Further bad debts amounted to ₹ 3,000. Maintain 5% provision for doubtful debts.
- (d) ₹ 1,200 paid as rent was debited to landlord's account and included in debtors.
- (e) One dishonoured cheque of ₹ 5,000 was not recorded in the books and it was expected that debtors would not pay more than 40% of the amount due.

Unit IV

8. Romesh of Calcutta consigned 100 packets of medicine, each costing ₹ 500, to his agent Md. Arif of Ahmedabad. He paid ₹ 100 towards freight and insurance. 10 packets were destroyed in transit and insurance company admitted a claim of ₹ 2,400. The consignee took the delivery of the remaining packets and spent ₹ 500 as godown rent, ₹ 2,000 as clearing charges and ₹ 500 as selling expenses. Md. Arif transferred 5 packets to Sanjay of Mumbai, another consignee of Romesh in the region. Sanjay spent ₹ 150 as courier charges. The consignee sold 80 packets @ ₹ 600 each. He is entitled to a commission of 4% of the sales made by him.

You are required to make necessary accounts in the books of Romesh relating to consignment to Ahmedabad and Md. Arif. 14

9. Distinguish between Hire-Purchased System and Installment System. 14

7. A and B enter into a Joint Venture to take a building contract for ₹ 2,40,000. They provide the following information regarding the expenditure incurred by them :

	A (₹)	B (₹)
Materials	68,000	50,000
Cement	13,000	17,000
Wages	—	27,000
Architect's fees	10,000	—
Licence fees	—	5,000
Plant	—	20,000

Plant was valued at ₹ 10,000 at the end of the contract and B agreed to take it at that value. amount of ₹ 2,40,000 was received by A.

Show :

- (a) Joint Venture Venture Account and B's Account in the books of A;
 (b) Joint Venture Account and A's Account in the books of B. 14