

Roll No.

57503

B.B.A. 1st Sem. (N.S.) 2014-17

Examination – November, 2016

Financial Accounting

Paper-BBAN-103

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : Section-A comprises of eight short answer questions & is **compulsory**.
Section-B comprises eight questions (two from each unit). Attempt **four** questions in all selecting at least **one** from each unit.

Section-A

1. (a) Define accounting.

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(1)

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(b) What is double entry system ?

(c) Define prepaid expenses.

(d) What is suspense account ?

(e) Explain 'single entry system'.

(f) Difference between joint venture and

consignment.

(g) Define bank reconciliation statement.

(h) What is 'convention of full disclosure' ?

Section-B

Unit-I

2. Discuss various concepts and conventions of accounting.

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3. Journalize in the books of Mr. Rai.

Started Business with cash	2,00,000
Cash purchases	50,000
Sold goods to Vasu	10,000
Returned defective goods by Vasu	1,000
Received cash from Vasu	8,800
and discount allowed	200
Paid insurance Premium	500
Chander sold goods to us	20,000
Paid Cash to Chander	13,780
and Discount allowed by him	220
Paid wages	600
Received Interest	700
Prit purchased goods from us	12,000

Unit-II

4. What are rectifying entries ? How are two sided and one sided errors rectified ?

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5. From the following Trial Balance, prepare Trading & Profit & Loss a/c & a Balance Sheet as on that date :

Particulars	₹	Particulars	₹
Opening Stock	25,000	Sales	7,00,000
Furniture	16,000	Creditors	72,500
Purchases	5,55,300	Bank overdraft	50,000
Carriage Inwards	4,700	Provision for bad & doubtful debts	2,100
Bad debts	1,800	Discount	500
Wages	52,000	Capital	2,00,000
Debtors	80,000	Purchase Returns	20,000
Sales returns	15,000		
Rent	24,000		
Misc. Exp.	3,400		
Salaries	68,000		
Cash	8,900		
Drawings	14,000		
Buildings	1,60,000		
Advertising	10,000		
Int. on Bank overdraft	7,000		
	10,45,100		10,45,100

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(4)

Adjustments :

- (i) Closing stock is valued at ₹36,000.
- (ii) Private purchases amounting to ₹5,000 have been debited to purchases account.
- (iii) Make a provision for Bad & Doubtful Debt at 5% on debtors.
- (iv) A new sign board costing ₹ 4000 is included in advertising.
- (v) Depreciate furniture & fittings by 10%.

Unit-III

6. Why do we prepare bank reconciliation statement ? How is it prepared ?

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(5)

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7. State the difference between 'Receipts & Payments Account' & 'Income & Expenditure Account'.

Unit-IV

8. Write a note on consignment accounts.

9. Prakash & Suresh doing business separately as building contractors, undertake jointly to construct a building for a newly started Joint Stock Company for a contract price of ₹1,00,000 payable as ₹80,000 by installment in cash and ₹20,000 in fully paid shares of the company. A bank account is opened in their joint names. Prakash paying in ₹50,000 & Suresh ₹25,000. They are to share profit or loss in the proportion of 2/3 & 1/3 respectively.

Their transactions were as follows :

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Paid wages	₹ 30,000
Bought materials	40,000
Materials supplied by Prakash from his stock	5,000
Material supplied by Suresh from his stock	4,000
Architect's fees paid by Prakash	2,000

The contract was completed & price duly received. The joint venture was closed by Prakash taking up all the shares of the company at an agreed valuation of ₹16,000. Prepare the Joint Venture Account, showing profit or loss & the accounts of Prakash & Suresh showing the final distribution.

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