



0232

Second Semester Five Year B.B.A. LL.B. Examination, June 2011
FINANCIAL ACCOUNTING (Course – II)

Duration : 3 Hours

Max. Marks : 100

- Instructions :**
1. Answer all 5 Questions.
 2. **One** essay type and **one** short note question or problem from **each unit** have to be attempted, which is referred as part (a) and (b) in all the units.
 3. Figures to the **right** indicate marks.
 4. Use simple calculator.

UNIT – I

Q. No. 1. (a) Define Accounting. Explain accounting concepts in detail,

OR

(a) Is accounting different from book-keeping ? Explain major accounting conventions.

Marks : 15

(b) What do you mean by accounting standards ? Give examples regarding Indian accounting standards.

OR

(b) Explain basic concepts of double entry system.

Marks : 5

UNIT – II

Q. No. 2. (a) From the following transactions, prepare Gourav's A/c in the books of Sourav and Sourav's A/c in the books of Gourav.

2010

- Oct. 1 Sold goods to Gourav Rs. 1,000
3 Received cash from Gourav Rs. 500
5 Sourav purchased goods from Gourav Rs. 400



- 12 Gourav paid cash to Sourav Rs. 1,000
- 15 Gourav purchased goods from Sourav Rs. 1,500
- 20 Sourav received goods returned by Gourav Rs. 500
- 25 Gourav paid Rs. 550 to Sourav and received a discount of Rs. 100
- 30 Sourav sold goods to Gourav Rs. 2,000

OR

(a) Draw a three column cash book from the following transaction :
2010

- Nov. 1 Mr. Vivek started business with cash Rs. 20,000
- 2 Opened a bank account with Rs. 10,000
- 4 Received for cash sales Rs. 5,000
- 6 Paid for stationery Rs. 1,000
- 13 Received a cheque from Samkit Rs. 3,850 and allowed him discount Rs. 150
- 15 Sent Samkit's cheque to bank for deposit
- 18 Paid office rent by cheque Rs. 3,000
- 19 Received commission Rs. 2,000
- 22 Withdrawn from bank for office use Rs. 1,500
- 24 Sunil, a customer directly paid into our bank account Rs. 2,500
- 26 Paid Ankit by cheque Rs. 1,800 and received discount Rs. 200
- 27 Cash sales Rs. 8,000 of which paid into bank Rs. 2,000
- 28 Cash purchases Rs. 5,000 of which paid by cheque



(b) What are subsidiary books ? Give advantages of them to a business.

OR

(b) What is a trial balance ? State its advantages.

Marks : 5

UNIT – III

Q. No. 3. (a) Following is the trial balance of Vikas Traders for the year ended 31-3-2010. Prepare final accounts of the firm.

Trial Balance as on 31-3-2010

Name of Account	Debit	Credit
	Rs.	Rs.
Drawings and capital	15,000	1,20,000
Bills receivables	22,000	—
Machinery	20,000	—
Debtors and creditors	60,000	58,000
Wages	39,000	—
Purchases and sales	2,52,000	3,55,000
Commission	—	5,500
Rent and taxes	6,000	—
Opening stock	90,000	—
Salaries	10,500	—
Travelling expense	2,000	—
Insurance	600	—
Repairs	3,400	—
Bad debts	3,500	—
Furniture	9,000	—
Returns	5,000	2,000
Cash	500	—
	5,40,500	5,40,500



Adjustments :

- 1) Closing stock was valued at Rs. 1,00,000
- 2) Create 5% reserve for doubtful debts
- 3) Prepaid insurance Rs. 200
- 4) Commission due Rs. 500
- 5) Wages and salaries unpaid Rs. 1,000 and Rs. 1,500 respectively
- 6) Depreciate machinery by 5% and furniture 10% p.a.

Marks : 15

OR

- (a) From the following Trial Balance prepare the manufacturing account, the trading and profit and loss account for the year ending 31st March, 2010 and the Balance Sheet as on that date :

Particulars	Debit	Credit
	₹	₹
Shri Banker's capital account		41,000
Shri Banker's drawing account	6,100	
Mrs. Banker's loan account		4,000
Sundry creditors		45,000
Cash in hand	250	
Cash at bank	4,000	
Sundry debtors	40,500	
Patents	2,000	
Plant and machinery	20,000	
Land and buildings	26,000	
Purchase of raw materials	35,000	
Finished stock : 1-4-2009	18,000	



Carriage inwards	1,100	
Wages	27,000	
Salary of work manager	5,600	
Factory expenses	3,400	
Factory rent and taxes	2,500	
Royalties (Paid on sales)	1,200	
Sales (less returns)		1,23,400
Advertising	3,000	
Office rent and insurance	4,800	
Printing and stationary	1,000	
Office expenses	5,800	
Carriage outwards	600	
Discounts	1,400	2,100
Bad debts	750	
	2,15,500	2,15,500

The stock on 31st March, 2010 was as follows ₹ 4,000 raw materials, ₹ 4,500 work-in-progress and ₹ 28,000 finished goods.

- (b) What do you understand by 'outstanding' expenses? Give examples. How do you adjust them in final accounts?

OR

- (b) What are advantages and limitations of final accounts?

Marks : 5

UNIT – IV

Q. No. 4. (a) Define Bills of Exchange. What are different types of bills of

OR



(a) Define Bills of Exchange. Explain discounting of bills, dishonour of bills, renewal of bills, and endorsement of bills.

Marks : 15

(b) Priyank drew a bill on Darpan for Rs. 10,000 on 1st July 2010 for 3 months. The bill was accepted and returned to Priyank. Just before the due date Darpan requested Priyank to cancel the bill and renew it for next two months. Priyank drew a fresh bill for Rs. 10,500. Darpan duly met the bill on due date. Pass Journal entries in books of Priyank and Darpan.

OR

(b) Sohan sold goods worth Rs. 10,000 to Mohan on credit on 1 July 2010. He drew a 3 month bill on Mohan on the same day for Rs. 10,000. Mohan accepted it and sent back to Sohan. On receiving the bill Sohan discounted it with his bankers for Rs. 9,800. But on the due date Mohan could not honour the bill. Nothing charges incurred by bank were Rs. 500. Pass Journal Entries in Book of Sohan and Mohan.

Marks : 5

UNIT – V

Q. No. 5. (a) The South Sports Club gives you the following Receipts and Payments a/c for the year 31-12-2009.

Receipts and Payments a/c 31-12-2009

Receipts	₹	Payments	₹
To Cash in hand	1,500	By Groundsmen wages	15,000
To Cash at bank	21,000	" Mowing machine	11,000
To Subscription	58,000	" Rent	5,000
To Tournament		" Salaries to coach	36,000
Fund	15,000	" Tournament exp.	9,000
fees	20,000	" Sports equipt	12,000



To Entrance fees	2,000	"	Cash in hand	3,500
To Donations		"	Cash at Bank	33,000
for pavilion	30,000			
To Sale of grass	1,000			
	1,48,500			1,48,500

Adjustments :

1) Assets on 1-1-09

	Rs.
Sports equipment	50,000
Buildings	3,00,000
Furniture	1,00,000

- 2) Outstanding subscription 1st Jan. Rs. 5,000 and 31st Dec. 09 Rs. 8,000
 - 3) Donations are to be capitalised
 - 4) Depreciate sports equipment by 15% and buildings at 10% p.a.
- Prepare Balancesheet on 1-1-09 and income and expenditure a/c and closing balancesheet on 31-12-2009.

OR

(a) Balancesheet as on 1-1-09 of Magnificent Club.

	Rs.		Rs.
Subscription received		Buildings	15,00,000
in advance	10,000	Furniture	5,00,000
Rent outstanding	8,000	Vehicles	5,00,000
Printing bill O/S	2,000	Cash	1,00,000
Capital fund	30,10,000	Bank O/S	3,50,000
		Subscriptions	80,000



Receipts and Payments a/c for the Year 31-12-09

Receipts	Rs.	Payments	Rs.
To Cash	1,00,000	By Rent	20,000
To Bank	3,50,000	" Electricity bill	15,000
To Subscription	5,00,000	" Printing and stationary	15,000
To Donations	2,00,000	" Furniture	13,000
To Sale of old magazines	2,000	" Music instruments	1,00,000
To Sales of furniture (Book value 15,000)	13,000	" Office equipments	2,50,000
		" Cash	1,75,000
		" Bank	5,77,000
	11,65,000		11,65,000

- 1) O/S expenses on 31-12-09 were printing bill Rs. 3,000, rent Rs. 5000
- 2) Depreciate build 10% furnitures 15% and music instruments by 10% (for half year)

Prepare income and expenditure A/c and Balance sheet as on 31-12-09.

Marks : 15

- (b) What do you mean by non profit organisations ? Give objectives and examples. How donations received are treated in their record of books ?

OR

- (b) Distinguish capital and revenue items. How do you treat them ? Give examples.

Marks : 5