



0232

**II Semester of 5 Year B.B.A. LL.B. Examination, June/July 2014**  
**FINANCIAL ACCOUNTING**

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 Part (b) in all Units.
  3. Use simple calculator.

**UNIT - I**

Q. No. 1. (a) What do you mean by accounting conventions? Explain the various accounting conventions.

OR

What is book keeping? Distinguish between book keeping and accounting.

Marks : 15

(b) Write a short note on :

- 1) Assets
- 2) Capital
- 3) Debtor.

OR

Draw the chart of Accounting cycle.

Marks : 5

**UNIT - II**

Q. No. 2. (a) Journalise the following transactions in the books of Kumar.

- 1-6-12 Commenced business with cash Rs. 10,000, Goods Rs. 20,000, Furniture 5,000
- 2-6-12 Deposited into Bank Rs. 8,000
- 5-6-12 Bought goods from Raju and Co. Rs. 15,000
- 15-6-12 Sold goods to Satish Rs. 25,000

P.T.O.



- 16-6-12 Returned goods to Raju and Co. Rs. 1,000  
18-6-12 Received from Satish on Account Rs. 1,500  
20-6-12 Received commission Rs. 500  
21-6-12 Bought office stationery Rs. 400  
23-6-12 Paid office rent by cheque Rs. 800  
25-6-12 Withdrew cash from office for personal use  
Rs. 1,750  
26-6-12 Sold goods for cash Rs. 3,500  
27-6-12 Received cash from Satish Rs. 9,000 and allowed  
him discount Rs. 1,000  
28-6-12 Remitted to Raju and Co. 8,800 in full settlement of  
his account Rs. 10,000  
29-6-12 Paid for stationery Rs. 600, Postage stamps  
Rs. 300  
30-6-12 Paid salaries by cheque Rs. 2,500.

OR

- 4) Enter the following transactions in a Three-column cash book  
and balance the same.

- 1-4-2012 Balance of cash in hand Rs. 18,000 and at Bank  
Rs. 15,000  
5-4-2012 Purchased goods for cash Rs. 4,500  
8-4-2012 Cash sales Rs. 6,000  
10-4-2012 Received a cheque from Varun for Rs. 1,900  
and allowed him discount of Rs. 100  
12-4-2012 Printing charges paid Rs. 500  
13-4-2012 Deposited Varun's cheque into Bank  
19-4-2012 Withdrawn from Bank for personal used  
Rs. 2,000  
21-4-2012 Bought goods from Dinesh Rs. 6,000 and paid  
him by cheque  
27-4-2012 Paid rent by cheque Rs. 3,200  
30-4-2012 Salary paid Rs. 4,500

Marks : 15



(b) Write a short note on :

Trial Balance

OR

Journal.

Marks : 5

### UNIT – III

Q. No. 3. (a) From the following trial balance of Shri Vinayak prepare trading, Profit and Loss Account and Balance Sheet as on 31-12-2012 after taking into account the adjustments given below.

	Debit	Credit
Capital		25,000
Drawings	2,500	
Plant and Machinery	3,000	
Land and Buildings	5,000	
Purchases and sales	40,000	50,000
Returns	5,000	4,000
Opening stock	7,500	
Furniture	5,000	
Salaries	750	
Insurance	200	
Rent	400	
Debtors and creditors	7,600	5,500
Bills Receivable and Bills Payable	2,400	2,000
Commission		300
Interest		100
Carriage Inward	300	
Wages	1,200	
Investment	2,000	
	86,900	86,900



**Adjustments :**

- 1) Closing stock Rs. 13,000.
- 2) Outstanding liabilities were : Rent Rs. 200, Wages Rs. 400 and Salary Rs. 300
- 3) Insurance prepaid Rs. 50
- 4) Depreciate land and buildings at 5 % and plant and machinery at 10 %.
- 5) Make provision for doubtful debts at 5 % on debtors.

OR

- (a) From the following trial balance of Mr. Ramesh prepare his trading, Profit and Loss Account and Balance Sheet as on 31-12-2012 after effecting the adjustments given below :

	Debit	Credit
Capital		50,000
Drawings	10,000	
Stock on 1-1-12	25,000	
Bills Receivable and Bills Payable	5,000	6,000
Purchases and sales	1,03,500	1,62,500
Returns	2,500	3,500
Debtors and creditors	16,200	12,000
Salaries	11,000	
Wages	9,600	
Machinery	30,000	
Furniture	5,000	
Rent and Taxes	3,500	
Insurance	1,300	
Printing and stationery	1,500	
	2,34,000	2,34,000



**Adjustments :**

- 1) Closing stock Rs. 18,000.
- 2) Depreciate machinery by 5 % and Furniture by Rs. 500.
- 3) Outstanding Expenses : Wages Rs. 400, Rent 1,000.
- 4) Prepaid insurance Rs. 150.
- 5) Write off Rs. 200 as bad debts and make provision for doubtful debts at 5 % on Debtors.

Marks : 15

- (b) What do you mean by adjustments ? Give the adjusting entries for interest on capital and interest on drawings.

OR

- (b) How do you treat the following in final accounts

- 1) Free samples
- 2) Doubtful debts
- 3) Goods used for personal use.

Marks : 5

**UNIT – IV**

Q. No. 4. (a) On 1-1-2012 Mahesh sold goods of Rs. 5,000 to Suresh and drew a bill for an amount payable after three months. Suresh accepted the bill and returned it to Mahesh. On 5-1-2012 Mahesh discounted the bill for Rs. 4,600. On the due date the bill was dishonoured and the noting charges incurred amounted to Rs. 100.

Pass the journal entries in the books of both the parties.

OR

- (a) On 1-6-2012 Vinayak drew a bill on Prasanna for Rs. 6,000 for two months. The bill was duly accepted, before the due date Prasanna approached Vinayak and requested to receive cash of Rs. 2,000 and to draw a new bill for Rs. 4,200 (Rs. 200 being for interest) for a future period of three months in

Pass the journal entries in the books of both the parties.

Marks : 15



(b) Write a short note on :

Define bill of exchange and name the parties to it.

OR

(b) 1) Endorsement on a bill

2) Tenure of a bill

3) Dishonour of a bill.

Marks : 5

### UNIT – V

Q. No. 5. (a) From the following particulars prepare the Income and Expenditure Account and Balance Sheet as on 31-12-12 of Young Men's Sports Club.

#### Balance Sheet as 1-1-12

Liabilities	Amount	Assets	Amount
Capital Fund	80,000	Buildings	40,000
Reserve Fund	10,000	Furniture	10,000
Bank Loan	10,000	Sports Materials	30,000
Subscription for 2012	2,000	Investments	20,000
Outstanding Salary	2,000	Outstanding interest	
		on Investments	500
		Outstanding	
		subscription	1,500

1,07,000

1,07,000



Receipts and Payments Account for the year ended 31-12-2012

Receipts	Amount	Payments	Amount
To Balance b/d	2,000	By sports materials	20,000
<u>" Subscriptions</u>		<u>" Salaries</u>	
2011	1,500	2011	2,000
2012	40,000	2012	<u>8,000</u> 10,000
2013	<u>2,000</u> 43,500	" Printing	1,500
" Entrance fees	4,000	" Postage	500
" Donations	16,000	" Newspapers and	
" Proceeds from		Periodicals	6,000
lectures	8,000	" Fixed deposits	8,000
" Interest on		" Bank loan	8,000
<u>Investments</u>		" Investments	20,000
2011	500	" Balance c/d	2,500
2012	2,000		
2013	500 3,000		
	<b>76,500</b>		<b>76,500</b>

Adjustments :

- 1) Outstand subscriptions for 2012 Rs. 2,000.
- 2) Entrance fees are to be capitalised.
- 3) Depreciate furniture 5 %, sports materials by 50 % including the new ones.

✓ Repaid expenses were printing Rs. 200, periodicals Rs. 1,000.

OR



(a) Receipts and Payments Account for the year ended 31-12-12 of Mahila Sports Club is as.

Receipts	Amount	Payments	Amount
To Balance b/d	7,000	By Furniture	8,000
" Entrance fees	5,000	" Games expenses	4,000
" Donations	3,000	" Sports materials	8,000
" Tournaments	2,000	" Subscriptions to	
" Subscriptions	3,500	news papers	2,000
" Life membership fees	3,000	" Electric charges	500
" Interest	1,000	" Rent	1,200
		" Balance c/d	800
	<b>24,500</b>		<b>24,500</b>

Other balance as on 1-1-12 were :

Buildings Rs. 20,000, Furniture Rs. 5,000, Sports materials Rs. 6,000, Subscriptions in arrears Rs. 1,000, Rent due for 2011 Rs. 500, Donations are to be capitalised provide depreciation on Buildings 5 %, Sports materials Rs. 1,000, subscriptions due for 2012 500.

Prepare Income and Expenditure Account and Balance Sheet as on 31-12-2012.

Marks : 15

(b) What are legacies ? Distinguish between capital expenditure and revenue expenditure.

OR

(b) Classify the following into Capital and Revenue :

- 1) Life membership fees.
- 2) Sale of old sports materials.
- 3) Subscription.
- 4) Tuition fees.
- 5) Prize amount of Rs. 1 lakh received from lottery.

Marks : 5