6004/7004

I Semester 5 Year B.B.A. LL.B./B.Com. LL.B. Examination, July/August 2026
FINANCIAL ACCOUNTING

Duration : 3 Hours Max. Marks : 80

Instructions :
1. **Answer all five Units.**
2. **One essay type questions and short note/problems is compulsory from each Unit.**
3. **Figures to the right indicate marks.**
4. **Answer should be written either in English or Kannada completely.**
5. **Use Simple calculator.**

UNIT – I

Q. No. 1. (a) Define Double Entry System of Accounting. Explain conventions of the advantages and limitations. Marks : 10

OR

Q. No. 1. (a) Explain the objectives and limitations of Accounting. Marks : 10

Q. No. 1. (b) Write a short note on Branches of Accounting. Marks : 6

OR

Q. No. 1. (b) Write a short note on functions of Accounting. Marks : 6

UNIT – II

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

Jan. 1 Assets : Cash at bank Rs. 25,000; Stock Rs. 20,000
Furniture Rs. 2,000; Building Rs. 10,000
Liabilities : Creditors Rs. 5,000; Loan Rs. 10,000

Following were further transactions in the month of January 2022.

Jan. 1 Purchased goods worth Rs. 5,000 for cash.
Jan. 4 Purchased goods from Ganesh Rs. 5,000.
Jan. 12 Sold goods to Vani on credit Rs. 600.
Jan. 18 Sold goods to Ram Rs. 1,500.
Jan. 20 Paid Ganesh Rs. 4,800 in full settlement.
Jan. 25 Interest received from Madhu Rs. 200.
Jan. 26 Withdrew from business for personal use Rs. 1,000.
Jan. 30 Paid salary Rs. 2,000. Marks : 10

OR

Q. No. 2. (a) Enter the following transactions in a three column cash book.

2022 July 1 Started business with cash of Rs. 9,000
2 Deposited in Bank of India Rs. 7,000
4 Purchased building by issuing cheque of Rs. 5,000
10 Purchased furniture and paid by cheque Rs. 1,000
15 Purchased goods for Rs. 800 and paid by cheque
18 Withdrew Rs. 100 from the bank
22 Sold goods for Rs. 1,500
25 Deposited Rs. 2,000 into bank
30 Withdrew from bank for personal use Rs. 500
31 Paid to Ganesh Rs. 1,080 in full settlement by cheque.
We owed to Ganesh Rs. 1,100 for goods purchased. Marks : 10

P.T.O.

Q. No. 2. (b) Write a short note on Trial Balance. Marks : 6

OR

Q. No. 2. (b) Record the following transactions in appropriate subsidiary books.

2022 Feb. 1 Purchased from Ganesh & Co. on credit
30 Heater rods @ Rs. 10
20 Philips bulbs @ Rs. 20

Feb. 4 Sold to Mahesh & Co.
10 Heater rods @ Rs. 20
16 Lamp @ Rs. 30

Feb. 6 Purchased from Bajaj & Co. on credit
30 Electric plugs @ Rs. 20, less 10% trade discount.

Feb. 10 Sold goods to Kumar & Co.
10 Electric switches @ Rs. 50, less 10% trade discount.

Feb. 15 Goods worth Rs. 600 returned to Shiv & Co. Marks : 6

UNIT – III

Q. No. 3. (a) From the following Trial Balance of Gopi, prepare Trading and Profit and Loss account for the year ended 31st December 2022 and Balance Sheet as on that date.

Trial Balance

Particulars	**Dr. (Rs.)**	**Cr. (Rs.)**
Capital		27,000
Drawings	4,260	
Furniture	5,700	
Opening stock	8,760	
Purchases and sales	62,172	71,436
Returns	1,260	1,746
Salaries	2,640	
Rent	720	
Carriage	1,500	
Rates and Taxes	1,200	
Commission received		750
Bank Overdraft		1,200
Bad debts	1,032	
Sundry Debtors	19,200	
Cash in hand	288	
Sundry creditors		6,000
Bills payable		1,680
Bills receivable	1,440	
Discount		360
	1,10,172	**1,10,172**

You are required to consider the following adjustments :

1) Stock on 31st December 2022 Rs. 10,200.
2) Provide for doubtful debts at 5% on Sundry Debtors.
3) Rent due was Rs. 160.
4) Taxes of Rs. 320 were paid in advance.
5) Depreciate furniture at 10% p.a.
6) Calculate Interest on Capital at 5% p.a. Marks : 10

OR

Q. No. 3. (a) Prepare Trading and Profit and Loss A/c and Balance Sheet as on 31st Dec. 2021 after making the following adjustments :

1) Stock on 31st Dec. 2021 was valued at Rs. 22,400.
2) Depreciate building by 20% and machinery by 5%.
3) Maintain provision for bad debts at 5% on debtors.
4) Outstanding insurance Rs. 1,000.

Trial Balance

Particulars	**Dr. (Rs.)**	**Cr. (Rs.)**
Capital		1,00,000
Creditors		29,500
Bills payable		7,300
Sales		1,82,600
Salaries	19,600	
Cash	18,200	
Purchases	1,22,200	
Interest		1,700
Building	62,000	
Machinery	24,000	
Sundry Debtors	33,000	
Opening stock	14,500	
Bills Receivable	5,600	
Carriage Inwards	1,500	
Carriage Outwards	900	
General Expenses	5,600	
Insurance	800	
Bad debts	900	
Travelling expenses	600	
Discount	1,200	
Sales Returns	500	
Investments	10,000	
	3,21,100	**3,21,100**

Marks : 10

Q. No. 3. (b) Difference between Trial Balance and Balance Sheet. Marks : 6

OR

Q. No. 3. (b) Write a short note on objectives of preparing final accounts. Marks : 6

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UNIT – IV

Q. No. 4. (a) Distinguish between Receipts and Payments A/c and Income and Expenditure A/c. Marks : 10

OR

Q. No. 4. (a) The following is the account of transactions of the Kalyan Committee for the year ended 31st December 2022.

Receipts	Rs.	Payments	Rs.
Balance from last year	2,270	Rent	6,600
Subscription	32,500	Electric charges	3,200
Life membership fee	3,250	Lecturer's fee	730
Donation	2,500	Office Expenses	1,480
Profit from entertainment	7,250	Painting and Stationery	1,050
Sale of old books	750	Legal fee	1,870
(Book value Rs. 1,000)		Books	6,500
Interest	350	Furniture purchased	8,600
		Exp. on drama	1,300
		Cash in hand	17,540
	48,870		**48,870**

You are required to prepare an Income and Expenditure account and Balance Sheet after the following adjustments :

1) Subscriptions still to be received are Rs. 750 but subscription include Rs. 500 for the year 2023.
2) In the beginning of the year the committee owned building Rs. 20,000 and furniture Rs. 3,000 and books Rs. 2,000.
3) Provide depreciation on furniture @ 5% (including purchase) books @ 10% and building @ 5%. Marks : 10

Q. No. 4. (b) Show the treatment of the following items in the final accounts of a non profit organisation.

1) Life membership fees
2) Special donation
3) Sale of old newspaper
4) Sale of fixed assets. Marks : 6

OR

Q. No. 4. (b) Write a short note on Subscription. How it is calculated with format ? Marks : 6

UNIT – V

Q. No. 5. (a) Explain the factors to be considered before sourcing accounting software. Marks : 10

OR

Q. No. 5. (a) Explain the features of Computerised accounting. Marks : 10

Q. No. 5. (b) Write a short note on accounting softwares. Marks : 6

OR

Q. No. 5. (b) Write a note on problems faced in computerised accounting system. Marks : 6