



6004/7004

**First Semester 5 Year B.B.A.,LL.B./B.Com.,LL.B.  
Examination, Sept./Oct. 2023 (June 2023)**

**FINANCIAL ACCOUNTING**

Duration : 3 Hours

Max. Marks : 80

**Instructions : 1. Answer all five Units.**

**2. One essay type question and short note/problem is compulsory from each Unit.**

**3. Figures to the right indicate marks.**

**4. Answer should be written in English only.**

**5. Use simple calculator only.**

**UNIT – I**

Q. No. 1. a) Define accounting standards. Discuss any four accounting standards.

Marks : 10

**OR**

Q. No. 1. a) Discuss the advantages of accounting and limitations of accounting.

Marks : 10

Q. No. 1. b) Write a short note on Functions of accounting.

Marks : 6

**OR**

Q. No. 1. b) Write a short note on Conventions of accounting.

Marks : 6

**P.T.O.**



## UNIT – II

Q. No. 2. a) Journalise the following transactions in the books of Ganesh.  
2021

Marks : 10

- Jan. 1 Ganesh commenced business with cash ₹ 50,000  
Jan. 3 Paid into bank ₹ 10,000  
Jan. 6 Bought goods for cash ₹ 10,000  
Jan. 10 Sold goods to Mahesh on credit ₹ 4,000  
Jan. 12 Bought office furniture for cash ₹ 5,000  
Jan. 16 Paid salary to Manager ₹ 1,000  
Jan. 22 Received commission from Satish ₹ 200  
Jan. 24 Paid carriage ₹ 500  
Jan. 26 Withdrew cash from office for personal use ₹ 2,000  
Jan. 31 Paid rent to landlord ₹ 3,000.

OR

Q. No. 2. a) Prepare three column cash book from the following transactions :  
2021

Marks : 10

- March 1 Balance of cash ₹ 2,000 and at bank ₹ 8,000  
March 5 Received a cheque from Mahesh for ₹ 500 and allowed him discount ₹ 10  
March 6 Drew for office use ₹ 500  
March 7 Paid into bank ₹ 500  
March 8 Paid into bank ₹ 500 the cheque received from Mahesh  
March 15 Sold goods for cash ₹ 400 and remitted the same into the bank account  
March 22 Received commission ₹ 50  
March 29 Paid Mohan by cash ₹ 120 and he allowed ₹ 5 discount  
March 31 Sent Ramesh money of ₹ 100.



Q. No. 2. b) Enter the following transactions in the purchases book of Manoj.

Marks : 6

- June 1 Bought from Anand Ltd., Dharawad ₹ 6,600 less ₹ 600 trade discount
- June 6 Bought from Aditya and Co., Hubballi ₹ 16,000 less 5% trade discount
- June 15 Bought from Suresh Ltd., Bangalore ₹ 30,000
- June 20 Bought from Satish and Co., Raichur ₹ 16,000
- June 25 Bought from Bhavesh Ltd., Mysore ₹ 20,000 less 5% trade discount
- June 30 Bought from Mangalore traders ₹ 26,000.

OR

Q. No. 2. b) The following is the trial balance prepared by an incompetent clerk. Redraft the trial balance as on 31<sup>st</sup> Dec. 2020.

Marks : 6

	Dr. (₹)	Cr. (₹)
Bank overdraft	8,000	—
Capital account	4,00,000	—
Cash	—	4,000
Purchase returns	4,000	—
Sales returns	—	1,000
Wages	—	6,000
Bills payable	—	20,000
Bills receivable	—	45,000
Plant	—	4,60,000
Repairs to plant	—	10,000
Opening stock	11,500	—
Sales	2,60,000	—
Purchases	—	1,51,000
Debtors	—	44,000
Creditors	53,500	—
Stationery purchased	—	4,000
Loan from Prasad	9,000	—
Drawings	16,000	—
Trade expenses	—	2,000
Difference in trial balance	—	15,000
	<b>7,62,000</b>	<b>7,62,000</b>



## UNIT – III

Q. No. 3. a) Charlie's trial balance appeared as follows on 31<sup>st</sup> December 2020.

Marks : 10

	₹		₹
Capital	92,000	Cash at bank	14,534
Creditors	18,852	Bills receivable	5,844
Bills payable	6,930	Purchases	85,522
Sales	1,21,850	Carriage inwards	1,291
Provision for doubtful debts	1,320	Carriage outwards	800
Interest	340	General expenses	6,085
Buildings	70,000	Insurance	783
Motor trucks	12,000	Bad debts	613
Furniture	1,640	Audit fees	400
Debtors	15,600	Travelling expenses	325
Opening stock	15,040	Discount	620
Cash in hand	988	Sales returns	255
		Investments	8,922

Prepare the Trading and P and L A/c for the year ended 31<sup>st</sup> Dec. 2020 and Balance Sheet as on that date after considering the following :

**Adjustments :**

- 1) Stock on 31<sup>st</sup> Dec. 2020 was valued at ₹ 15,500.
- 2) Depreciation has been provided for motor trucks by 10% and furniture by 5%.
- 3) Write off further ₹ 140 as bad debts and maintain provision at 5% on debtors.
- 4) Insurance unexpired ₹ 150.
- 5) Interest on investments outstanding ₹ 120.

OR



Q. No. 3. a) What is final accounts ? How do you treat the following adjustments in final accounts ? Marks : 10

- (i) Depreciation.
- (ii) Prepaid expenses.
- (iii) Provision for bad debts.
- (iv) Interest on capital.
- (v) Interest on drawings.
- (vi) Closing stock.
- (vii) Outstanding expenses.

Q. No. 3. b) Distinguish between Profit and Loss A/c and Balance Sheet. Marks : 6

OR

Q. No. 3. b) Write a Balance Sheet with imaginary numbers atleast 12 items. Marks : 6

**UNIT – IV**

Q. No. 4. a) The following is the Receipts and Payments Account of Mysore Literary Club for the year ended 31<sup>st</sup> Dec. 2020. Marks : 10

	₹		₹
To Balance b/d	319	By Rent and rates	168
To Subscriptions	1,600	By Wages	245
To Donations	420	By Lighting	72
To Life membership fees	250	By Lecture's fees	435
To Interest	26	By Books	213
To Proceeds from Lectures	42	By Office expenses	450
		By FD	800
		By Cash at bank	254
		By Cash in hand	20
	<b>2,657</b>		<b>2,657</b>

At the beginning of the year, the club possessed books worth ₹ 2,000 and furniture worth ₹ 850. Subscriptions in arrears at the beginning of the year amounted to ₹ 35 and at the end of the year ₹ 45 and rent and rates outstanding at the beginning of the year amounted to ₹ 60 and at the end of the year ₹ 50.

Prepare income and expenditure account and Balance Sheet after writing ₹ 150 off books and ₹ 50 off furniture.

OR



Q. No. 4. a) Differentiate between Receipts and Payments Account and Income and Expenditure Account. Marks : 10

Q. No. 4. b) From the following ledger balances as on 31<sup>st</sup> Dec. 2019, find out the Opening Capital Fund : Marks : 6

	₹
Machinery	30,000
Building	50,000
Investments	40,000
Outstanding expenses	1,000
Outstanding subscription	500
Prepaid insurance	100
Subscription received in advance	2,000

OR

Q. No. 4. b) How do you treat the following items in the final accounts of non profit organization ? Marks : 6

- (a) Legacy
- (b) Honorarium
- (c) Sale of old assets
- (d) Wages paid for installation of machinery
- (e) Entrance fees
- (f) Life membership fees.



UNIT – V

Q. No. 5. a) What is computerised accounting ? Explain its features. Marks : 10

OR

Q. No. 5. a) What are the factors considered while introducing computerised accounting into a business organisation. Marks : 10

Q. No. 5. b) Explain the advantages of computerised accounting. Marks : 6

OR

Q. No. 5. b) Write a short note on any two accounting software. Marks : 6

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