



0232

Second Semester Five Year B.B.A., LL.B. Examination, June 2013
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 **(b)** in **all** Units.
 3. Figures to the **right** indicate marks.
 4. Answers should be written in **English completely**.
 5. **Use** simple calculator.

UNIT – I

Q. No. 1. (a) What is Accounting ? Explain different Accounting Concepts. Marks : 15

OR

What do you mean by Double-entry system of Book-Keeping ?
What are its advantages and disadvantages ?

(b) Write a short note on : :

Marks : 5

Difference between accounting concepts and conventions.

OR

Accounting Standards.

UNIT – II

Q. No. 2. (a) Journalize the following transactions :

Marks : 15

- 1) Commenced business with Rs. 10,000.
- 2) Purchased goods from X Rs. 2,000 on Credit.
- 3) Purchased goods from Y Rs. 1,000 for cash.
- 4) Paid cash Rs. 800 to X on account.
- 5) Returned goods worth Rs. 100 to X.
- 6) Purchased furniture from Z Rs. 300 on Credit.
- 7) Purchased machinery for cash Rs. 500.

P.T.O.



- 8) Sold goods to A Rs. 900 on credit.
- 9) Sold goods to B Rs. 100 for cash.
- 10) Received cash Rs. 400 from A on account.
- 11) A returned goods worth Rs. 50 to us.
- 12) Paid salary Rs. 700 to our Accountant.
- 13) Paid landlord office rent Rs. 150.
- 14) Paid wages Rs. 80.
- 15) Paid for stationary purchased Rs. 20.
- 16) Paid advertisement charges Rs. 120.
- 17) Received interest on bank deposits Rs. 250.
- 18) Received dividend on shares Rs. 30.
- 19) Received commission Rs. 200.
- 20) Withdrawn cash from office Rs. 100 for personnel expenses.

OR

Enter the following transactions in a Three-Column Cash Book :

1997

- | | |
|--------|----------------------------------------------------------------------------------|
| May 1 | Cash in hand Rs. 4,000 |
| | Cash at bank Rs. 12,000 |
| May 3 | Received from Paul Rs. 2,800 and discount allowed to him Rs. 200 |
| May 6 | Cash sales Rs. 20,000 |
| May 9 | Paid Kamat by cheque Rs. 5,400 and discount earned Rs. 100 |
| May 12 | Cash purchases Rs. 10,000 |
| May 15 | Cash sales to Arvind Rs. 8,000 |
| May 18 | Paid Ramesh by Cheque Rs. 1,000 |
| May 21 | Withdrew form bank for office use Rs. 500 |
| May 24 | Sold goods for Rs. 10,000 and deposited the same into bank. |
| May 27 | Paid into bank Rs. 4,000 |
| May 28 | Cheque issued to Ramesh on May 18, dishonoured |
| May 29 | Withdrew from bank for personal use Rs. 200 |
| May 30 | Received cheque from Manjunath for Rs. 6,800 and allowed him discount of Rs. 200 |



May 31 Paid Rs. 400 to Ganesh in full settlement of his account Rs. 450

May 31 Bought goods paid by cheque Rs. 1,500.

(b) Write a short note on :

Marks : 5

Purchase book and sales book

OR

Trial Balance.

UNIT – III

Q. No. 3. (a) The following Trial Balance of Shri Shant as on 31st March, 1999. You are requested to prepare the Trading and Profit and Loss Account for the year ended 31st March, 1999 and Balance Sheet as on that date after making the necessary adjustments

Marks : 15

Particulars	Debit Rs.	Credit Rs.
Sundry Debtors	5,00,000	—
Sundry Creditors	—	2,00,000
Outstanding liability and expenses	55,000	—
Wages	1,00,000	—
Carriage Outwards	1,10,000	—
Carriage Inwards	50,000	—
General Expenses	70,000	—
Cash discounts	20,000	—
Bad Debts	10,000	—
Motor Car	2,40,000	—
Printing and Stationary	15,000	—
Furniture and Fittings	1,10,000	—
Advertisement	85,000	—
Insurance	45,000	—
Salesmen's Commission	87,500	—
Postage and Telephone	57,500	—
Salaries	1,60,000	—
Rate and Taxes	25,000	—
Drawings	20,000	—



Capital Account	–	14,43,000
Purchases	15,50,000	–
Sales	–	19,87,500
Stock on 1-4-99	2,50,000	–
Cash at Bank	60,000	–
Cash in Hand	10,500	–
	36,30,500	36,30,500

The following adjustments are to be made :

- 1) Stock on 31st March, 1999 was valued at Rs. 7,25,000.
- 2) A provision for Bad and Doubtful Debts is to be created to the extent of 5% on Sunday Debtors.
- 3) Depreciate :
 Furniture and Fittings by 10%
 Motor – Car by 20%
- 4) Shri Shant had withdrawn goods worth Rs. 25,000 during the year.
- 5) Sales include goods worth Rs. 75,000 sent out to Sham and Company on approval and remaining unsold on 31st March, 1999. The cost of goods was Rs. 50,000.
- 6) The salesmen are entitled to a commission of 5% on total sales.
- 7) Debtors include Rs. 25,000 bad debts.
- 8) Printing and stationary expenses of Rs. 55,000 relating to 1997-98 had not been provided in that year but was paid in this year by debiting outstanding liabilities.
- 9) Purchases include purchase of furniture worth Rs. 50,000.

OR

The following is the Trial Balance of Sham and Company as on 31-12-2010 :

Particulars	Debit Rs.	Credit Rs.
Sham's Capital	–	83,000
Sham's Drawings	2,000	–
Buildings	20,000	–
Machinery	10,000	–
Purchases and Sales	1,10,000	1,80,000
Returns	5,000	2,000
Discount	2,500	1,500



Debtors and Creditors	80,000	40,000
Advertising	3,200	—
Wages	18,000	—
Carriage inwards	1,500	—
Salaries	20,000	—
Office rent	3,000	—
Postage and Telegram	1,600	—
Interest received	—	500
Investments	10,000	—
Cash in hand	7,500	—
Cash at Bank	8,000	—
Opening Stock	10,000	—
Bills receivable and payable	1,000	4,500
Commission	—	1,800
	3,13,300	3,13,300

Adjustments :

- i) Goods worth Rs. 200 were used for personal use.
 - ii) Make provision for bad and doubtful debts on debtors at 5%.
 - iii) Depreciate machinery and building at 5%.
 - iv) Outstanding salaries Rs. 4,000.
 - v) Closing stock was valued at Rs. 3,000.
- Prepare Final Accounts.

- (b) Write a short note on :
Trading and Profit and Loss Account.

Marks : 5

OR

Balance Sheet.

UNIT – IV

- Q. No. 4. (a) Q accepted an accommodation bill for Rs. 2,000 and returned it to P who discounted the same for Rs. 1,900 and remitted half the proceeds to Q, after deducting the proportionate discount. P failed to remit the remaining amount before the due date. So the bill was dishonoured by Q. P took up the same and drew a 2 months bill on Q for the amount due and interest Rs. 40. The new bill was duly met by Q on the due date.

Pass the journal entries in the books of P and Q.

Marks : 15

OR



Suresh owed money to Ramesh and hence accepted two bills each of Rs. 5,000 at 3 months duration drawn on him by the latter on 1st January, 1995. Ramesh discounted one of the bills with his bank for net proceeds of Rs. 4,800 and endorsed the other in favour of Mukesh to whom he owed a like sum, on the same date.

Suresh, paid the bill held by Mukesh on the due date, but failed to meet the bill presented by the bank. The inclusive of charges to Ramesh on 10th April, 1995.

Show the Journal entries in the books of Suresh and Ramesh.

(b) Write short note on :

Marks : 5

Advantages of a Bill of Exchange.

OR

Characteristics of kinds of Bill of Exchange.

UNIT – V

Q. No. 5. (a) From the following Receipts and Payments Account and the Opening Balance Sheet of Sanjeevini Hospital and the information given below. Prepare the Income and Expenditure Account for the year ending 31-12-2010 and the Balance Sheet as on that date.

Marks : 15

Receipts and Payments Account for the year ended 31-12-2010

To Opening Balance		By Salaries	5,000
Cash	500	By Office Expenses	4,500
Bank	5,000	By Diet Expenses	2,500
Govt. Securities	<u>1,00,000</u>	By Medicines Purchased	3,000
To Subscriptions :		By Land purchased	50,000
2009	2,000	By Building Construction	40,000
2010	14,000	By Furniture (on 1-7-2010)	4,600
2011	3,000	By Rent and Insurance	1,400
	19,000	By Expenses of	
To Entrance fees	1,000	Benefit show	3,000
To Donations	10,000	By Closing Balances :	
To Interest on Investments	10,000	Cash	1,000
To Interest from Bank	1,200	Bank	5,000
To Fees from Patients	3,500		



To Proceeds form Benefit show	4,800	Govt.	
To Grant from Govt :		Securities 1,00,000	1,06,000
For Building	60,000		
For Maintenance	5,000		
	2,20,000		2,20,000

Balancer Sheet as at 31-12-2009

Capital Fund	29,200	Furniture	5,400
Endowment Fund	1,00,000	Instruments and Equipments	9,600
Outstanding Office Expenses	500	Investments in Governments	
		Securities	1,00,000
		Stock of Medicines	200
		Outstanding subscriptions	2,000
		O/s interest on Investments	7,000
		Cash on hand	500
		Cash at bank	5,000
	1,29,700		1,29,700

Half of the donations are to be capitalised :

Outstanding subscriptions as at 31-12-2010 Rs. 2,500

O/s interest on investments as at 31-12-2010 Rs. 7,000

Salaries outstanding as at 31-12-2010 Rs. 1,000

Insurance prepaid Rs. 400. Depreciate furniture at 10% p.a. and instruments and equipments at 20% p.a. stock of medicines as on 31-12-2010 Rs. 500.

OR

The Receipts and Payments Account of Naveen Football Club for the year ended 31st March, 1998, was as under :

Receipts	Rs.	Payments	Rs.
To Balance b/d (1-4-97)	48,000	By Purchases of Balls	80,000
To Subscription Received	2,46,000	By Tournament Fees	10,000
To Interest	2,000	By Affiliation fees	2,000
To Sales of Furniture	10,000	By Rent of playground	5,000



To Donations for Club Building	60,000	By Refreshment Expenses	4,000
		By Travelling expenses	30,000
		By Investments purchased at face value	1,00,000
		By Salary	12,000
		By Miscellaneous Expenses	8,000
		By Balance c/d (31-3-98)	1,15,000
	3,66,000		3,66,000

Prepare the Club's Income and Expenditure Account for the year ended 31st March, 1998, and the Balance Sheet as on that date, after taking the following information into account :

- 1) The subscription received include Rs. 10,000 outstanding subscription of the year 1996-97. Subscriptions for the year 1997-98 amounting to Rs. 16,000 is still outstanding form members. Some members have paid subscriptions for the year 1998-99 amounting to Rs. 8,000 which is included in the subscriptions received.
- 2) Interest accrued but not received Rs. 500.
- 3) The book value of furniture sold was Rs. 14,000.
- 4) The rent of playground Rs. 6,000 and Salary Rs. 5,000 of the year 1997-98 are still outstanding and rent of playground of the year 1996-97 Rs. 1,000 has been paid during this year.
- 5) There is a stock of balls with the Club valued at Rs. 4,000 as on 31st March, 1998.

(b) Write a short note on :

Marks : 5

Donations.

OR

Receipts and Payments Account.
