

Roll No.

E-1910

**Bachelor of Business Administration
(First Semester)**

EXAMINATION, Dec.-Jan., 2020-21

FINANCIAL ACCOUNTING

(105)

Time : Three Hours]

[Maximum Marks : 90

[Minimum Pass Marks : 32

Note : Attempt all the *five* questions. *One* question from each Unit is compulsory. All questions carry equal marks.

Unit—I

1. Define Accounting. Explain the objectives and usefulness of Accounting.

Or

What do you mean by Accounting Cycle ? Explain its role in decision making process in manufacturing industry.

P. T. O.

Unit—II

2. Prepare a Trial Balance from the following particulars for the year ending 31st March, 2020 :

Particulars	Amount (in ₹)
Opening Stock	5,000
Debtors	4,000
Capital	10,000
Plant & Machinery	2,000
Creditors	2,000
Wages and Salaries	1,600
Discount Received	2,000
Sales	30,000
Building	6,000
Purchase	19,300
Cast at Bank	6,100

Or

State the meaning of capital expenditure and revenue expenditure. What is the difference between them ?

Unit—III

3. What is the meaning of Rectification of Errors ? What are the various types of errors in accounts ? Explain with example.

Or

From the following particulars of Mr. Sandeep, prepare Bank Reconciliation Statement as on March 31st, 2020 :

- (i) Bank Balance as per cash book ₹ 50,000.
- (ii) Cheques issued but not presented for payment ₹ 6,000
- (iii) The bank had directly collected dividend of ₹ 8,000 and credited to bank account but not entered in the cash book.
- (iv) Bank charges of ₹ 400 were not entered in cash book.
- (v) A cheques of ₹ 6,000 was deposited but not collected by Bank.

Unit—IV

4. What are the objects of preparing a Balance Sheet ? Prepare a Balance Sheet with the help of imaginary figures.

Or

From the following Balances taken from the books of Anil & Co. prepare final accounts for the year ended 31st March, 2020 :

Particulars	Amount (in ₹)
Capital	35,000
Building	18,750
Machinery	9,250
Debtors	7,000
General Expenses	800
Rent Paid	3,710
Drawings	650

Electric Charges	190
Carriage Inward	850
Cash at Bank	3,000
Return Outward	110
Salaries	1,110
Discount allowed	200
Opening Stock	16,500
Bills Payable	5,000
Sales	63,500
Purchase	46,850
Wages	2,500
Cash in Hand	1,800
Creditors	10,000
Returns inwards	450

Closing stock was ₹ 18,210 at the end of 31st March, 2020.

Unit—V

5. Define hire purchase. Explain how is it different from instalment system.

Or

A business purchases of a new machine for ₹ 75,000 on 1st April, 2018. It is estimated that the machine will have a residual value of ₹ 10,000 and a useful economic life of five years. The business decides to calculate annual depreciation at the rate of 10% of the written down value. The business has an accounting year ending on 31st March, Prepare Machine Account.