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F-1905

**BACHELOR OF BUSINESS
ADMINISTRATON
(FIRST SEMESTER)**

EXAMINATION, Dec. - Jan., 2021-22

FINANCIAL ACCOUNTING

(105)

Time : Three Hours]

[Maximum Marks:90

[Minimum Pass marks : 32

Note- Attempt all questions. Each question carry equal marks.

Unit - I

1. Define accounting. Explain the advantages and limitations of accounting with other functional areas.

OR

Through defining accounting, explain relationship of accounting with other functional areas.

Unit - II

2. Form the following incorrect Trial balance of Suman Sharma prepare the correct Trial Balance:

P.T.O.

Particulars	Amount in Rupees (₹)	
	Dr.	Cr.
Opening Stock	2,000	—
Closing Stock	7,400	—
Sales	—	38,000
Capital	30,000	—
Building	—	25,000
Purchases	20,000	—
Insurance	800	—
Salaries	3,500	—
Drawings	—	3500
Purchase	1500	—
Sales Return	—	2,900
Outstanding Salaries	500	—
Wages	—	4,300
Furniture	8,000	—
	73,700	73,700

OR

Distinguish between-

- (i) Capital Expenditure and Revenue Expenditure
- (ii) Capital Receipts and Revenue Receipts
- (iii) Journal and ledger.

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Unit - III

3. Prepare Bank Reconciliation statement on 31st March 2022 from the following details:

- (i) Debit balance as per cash book ₹ 50,000.
- (ii) Shyam (Debtors) directly deposited ₹ 5,000 into Bank.
- (iii) Cheque of ₹ 20,000 sent to Bank, but not recorded into cash book.
- (iv) Cheque issued of ₹ 10,000 on 25th March 2022 but presented on 3rd April, 2022.
- (v) Bank charges ₹ 100.
- (vi) Interest deposited ₹ 1,000 but recorded into cash book.

Or

- (i) What do you understand by cash Book. Explain its objects and significance.
- (ii) What is suspense account? When is it opened?

Unit - IV

4. From the following Trial Balance, prepare

- (i) Trading account
- (ii) Profit & loss account, and
- (iii) Balance sheet for the year ending 31st March 2021

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Trial Balance

As on 31st March 2021

Particulars	Amount (₹)	Particulars	Amount (₹)
Building	20,000	Capital	40,000
Opening stock	9,500	Sales	55,000
Wages	3,000	Sundry Creditors	7,000
Salaries	4,000	Purchase returns	1,000
Purchases	44,000		
Furnitures	5,000		
Bad Debts	500		
Sales Return	500		
Travelling exp.	1,500		
Sundry debtor	5,000		
Drawings	5,000		
Cash Balance	5,000		
	1,03,000		1,03,000

Or

Distinguish between.

- (i) Manufacturing account and Trading account.
- (ii) Balance sheet and Trial Balance
- (iii) Outstanding Expenses and prepaid Expenses

Unit -V

- 5 (i) What do you understand by Hire Purchase System? Distinguish between Hire Purchase and Installment system.
- (ii) From the following information, calculate the rate of depreciation by written down value method:

Cost of Asset ₹ 1,00,000

Estimated life of Asset 3 years

Scrap value of Asset ₹ 6,400

Or

A machinery was purchased for ₹ 1,00,000. It was depreciated at the rate of 15% per annum according to written down value method. Prepare machinery and depreciation account when:

- (i) Provision for Depreciation account is not maintained
- (ii) Provision for Depreciation account is maintained.