

**U.G. 2nd Semester Examination - 2022****B.B.A.****[HONOURS]****Course Code : BBBACCHT 201****Course Title: Financial Accounting**

Full Marks : 40

Time : 2 Hours

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*1. Answer any **ten** questions of the following:

1×10=10

- a) What do you mean by accounting?
- b) Name the various branches of accounting.
- c) Who are the main users of Accounting Information?
- d) What is Accounting cycle?
- e) Can journal be avoided?
- f) Make the journal entry for bad debt recovery.
- g) What is deferred revenue expenditure?
- h) What is contra entry?

- i) Mention any two methods of charging depreciation.
- j) What is Trial Balance?
- k) What is dual aspect concept?
- l) What is accounting standard?
- m) What is an error of commission?
- n) Distinguish between gross profit and net profit.
- o) What do you mean by Bank Reconciliation Statement?

2. Answer any **five** of the following questions:2×5=10

- a) How is book keeping different from accounting?
- b) Mention two points of difference between financial accounting and cost accounting.
- c) Journalise the following transaction:  
Goods worth Rs.15,000 distributed for charity.
- d) Do you think, closing stock should appear in Trial Balance? Justify your opinion.
- e) Write two causes of depreciation.
- f) Why Profit & loss appropriation account prepared?
- g) What is Cost of Goods Sold?

h) Mention two situations when the need for preparing a BRS arises.

3. Answer any **two** of the following:  $5 \times 2 = 10$

a) From the following ledger balances of Mr X prepare a Trial Balance as at 31.03.2015:

Capital Rs.23000; Drawings Rs.2500; Stock (01.04.2014) Rs.17000; Purchases Rs.20000; Purchase Returns Rs.2000; Sales Rs.50000; Sales Returns Rs.5000; Premises Rs.5000; Discount allowed Rs.1000; Discount received Rs.500; Bad Debt Rs.2500; Trade expenses Rs.1500; Travelling expenses Rs.1000; Plant & Machinery Rs.8000; Furniture & Fixture Rs.5000; Debtors Rs.12000; Creditors Rs.3000; Cash Rs.3000; State Bank of India (Cr.) Rs.5000.

b) From the following transaction in a three column cash book and bring down the balances:

DATE	PARTICULARS	AMOUNT
2005 Dec 1	Cash in hand	200
1	Cash at bank	1800
4	Received cash from Mr X	95
	Allowed him discount	5
6	Purchased Stationary for cash	20

7	Paid to Mr Y by cheque	330
	Received Discount	10
12	Mr Z settle his account for	500
	Less 5% discount by cheque	-
18	Paid sundry expenses in cash	30
23	Paid to Mr A in cash	190
	Received discount	10
24	Withdrew from bank for office Cash	100
28	Withdrew from bank for personal use	150
29	Bought goods by cheque	500
31	Sold goods by cheque	200

c) On 01.01.2003, machinery was purchased by X for Rs.50000. On 01.07.2004, additions made to the extent of Rs. 10000. On 01.04.2005, further additions were made to the extent of Rs.6400. On 30.06.2006 machinery, original value of which was Rs.8000 on 01.01.2003 was sold for Rs.6000. Depreciation is charged at 10% p.a. on original cost.

Show the machinery account for the years from 2003 to 2006 in the books of X. X closes his books on 31st December.

4. Answer any **one** of the following:  $10 \times 1 = 10$

- a) i) Discuss the entity concept and revenue recognition concept used in accounting.
- ii) Write a detailed note on convention of conservatism.  $4 + 6 = 10$
- b) Papiya, Diya and Ria are three partners in a firm. Papiya, Diya and Ria drew Rs. 10000, Rs.8000 and Rs.6000 respectively. Interest on Capitals and Interest on Drawings are fixed at 12% and 10%, respectively. Profit during the year 2015 was Rs.85000, out of which Rs.20000 is to be transferred to General Reserve account. Papiya and Diya are entitled to receive salary of Rs.4500 and Rs.3000 p.a. respectively. Ria is entitled to receive commission at 10% on distributable profit. On 1st January 2015 the balances of their capital accounts were Rs.60000, Rs.50000 and Rs.40000, respectively. You are required to show the Profit and Loss appropriation account for the year ended 31.12.2015 and the capital accounts of Partners in the books of the firm.

- c) From the following Trial Balance and additional information, you are required to prepare Final Accounts:

**Trial Balance as on 31st December,2007**

Particulars	Debit(Rs)	Credit(Rs)
Capital		200000
Sundry Debtor	125000	
Drawings	10000	
Machinery	50000	
Wages	1000	
Purchases	20000	
Opening Stock	1000	
Sales		30000
Bank balances	1000	
Carriage Inwards	500	
Salaries	2500	
Rent and Taxes	500	
Sundry Creditors		20000
Bad Debts	500	
Buildings	30000	
Cash in hand	8000	
	<b>250000</b>	<b>250000</b>

*Additional Information:*

- A. Closing stock Rs.1500.

- B. Outstanding Rent and Taxes Rs.500
- C. Charge depreciation on Building @5% and on Machinery @10%.
- D. Wages prepaid Rs.500.
- E. Further Bad Debts to the extent of Rs.200.  
Create a provision for Bad Debts to the extent of 5% on Debtors.

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