



**Second Semester Five Years B.B.A., LL.B. (Hons.)
Examination, June 2013
FINANCIAL ACCOUNTING**

Duration : 2 1/2 Hours

Max. Marks : 70

- Instructions :**
1. Answer all 5 Questions.
 2. **One** essay type and **one** short note question from **each unit** have to be attempted.
 3. Figures to the **right** indicate **marks**.
 4. **Use** simple calculator.

UNIT – I

Q. No. 1. (a) (i) Explain the concept of accounting used in accounting. Marks : 9

OR

(ii) Explain the types of accounts, with rules and examples.

b) (i) Write a note on Accounting Standards. Marks : 5

OR

(ii) Draft a diagram showing Accounting Cycle.

UNIT – II

Q. No. 2. (a) (i) Journalise the following transactions and post them into ledger accounts for the year 2011 : Marks : 9

March 1 Kumar commenced business with the following Cash 20,000, Goods 5,000 and Furniture 1,000.

March 2 Deposited into bank Rs. 15,000

March 6 Bought goods from Raju and Co. Rs. 6,000

March 8 Bought office furniture for cash Rs. 1,500

P.T.O.

- March 12 Paid Raju and Co. by cheque Rs. 4,000
- March 14 Sold goods to Manju Rs. 2,000
- March 16 Returned goods to Raju and Co. Rs. 200
- March 18 Received from Manju on account Rs. 1,200
- March 22 Manju returned goods to us Rs. 100
- March 23 Received commission Rs. 400
- March 26 Paid cash for office stationary Rs. 150
- March 28 Paid office rent by cheque Rs. 600
- March 29 Withdraw cash from office for personal use
Rs. 700
- March 31 Paid cash for salaries.

OR

ii) Enter the following transactions in three columns cash book :

- 1-12-2011 Balance of cash Rs. 200 and at bank Rs. 5,000
- 3-12-2011 Received cash Rs. 500 and cheque Rs. 400
for cash sales.
- 4-12-2011 Paid the above cheque of Rs. 400 into bank
- 6-12-2011 Paid by cheque for cash purchases Rs. 100
- 9-12-2011 Paid Gopal by cheque Rs. 680 and he
allowed discount Rs. 20.
- 12-12-2011 Received cash from Raghupati Rs. 600 in
full settlement of his account Rs. 630.
- 14-12-2011 Paid Sundry expenses in cash Rs. 10
- 15-12-2011 Withdrawn from bank for personal use Rs. 500



- 18-12-2011 Paid cash for wages Rs. 140
- 20-12-2011 Sham and Co., paid direct into our bank account Rs. 700
- 23-12-2011 Paid cash for commissions Rs. 350
- 24-12-2011 Paid office rent by cheque Rs. 320
- 26-12-2011 Paid cash Rs. 200 and cheque Rs. 300 for purchase of office furniture from Rao and Co.
- 30-12-2011 Paid staff salaries by cheque Rs. 400
- 31-12-2011 Paid cash in excess of Rs. 100 into bank.

- (b) (i) Write a note on Trade Discount and Cash Discount. Marks : 5
- OR
- (ii) What is the process of Balancing Ledger Accounts ?

UNIT – III

- Q. No. 3. (a) (i) From the following trial balance and the adjustments given below. Prepare final accounts. Marks : 9

Name of Account	Dr.	Cr.
Ganesh's capital	–	1,25,000
Ganesh's drawings	25,000	–
Purchases and sales	55,500	75,750
Opening stock (1-4-2008)	20,250	–
Return inwards	1,750	–
Return outwards	–	1,500
Carriage inwards	1,800	–
Carriage outwards	1,400	–
Wages	7,500	–

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Salaries	12,500	–
Sundry debtors	60,000	–
Sundry creditors	–	45,600
Machinery	22,500	–
Furniture	15,200	–
Commission	–	1,750
Rent and taxes	5,250	–
Insurance	500	–
Bills receivable	4,500	–
Bills payable	–	2,500
Bad debts	2,500	–
Cash in hand	6,940	–
Cash at bank	9010	–
	2,52,100	2,52,100

Adjustments :

- a) Closing stock was Rs. 50,050.
- b) Salary outstanding Rs. 2,500.
- c) Insurance pre-paid Rs. 100.
- d) Write off additional bad debts Rs. 2,000 and make provision for doubtful debts at 5% on debtors.
- e) Depreciate machinery by 10% and furniture by 5%.

OR

- (ii) What is trading account ? What are the objective and advantages of trading account ?
- (b) (i) Prepare trading and profit and loss account for the year



ending 31-12-2010.

Marks : 9

Stock on 1-1-2010	5,000	Sales	91,000
Purchases	62,500	Sales returns	1,000
Purchase returns	2,500	Carriage outwards	600
Carriage	1,200	Salaries	5,500
Rent and taxes	1,800	Fire insurance	300
Wages	2,800	Commission (Dr.)	250
Discount allowed	700	Advertisement	150
Discount earned	2,000	Postage and telegram	320
Office stationary	200	Bad debts	180

OR

(ii) Explain the main features of final a/c's.

UNIT – IV

Q. No. 4. (a) (i) From the following receipts and payments account of Sanjeeveni Hospital newly commenced on 1-01-2011 and the adjustments given below. Prepare the income and expenditure account for the year ending 31-12-2011 and balance sheet as on that date.

Marks : 9

Receipt and Payment Account for the Year ended 31-12-2011

To Balance b/d	–	By Instruments and equipments	12,000
To Subscription	10,000	By Furniture	6,000
To Entrance fees	2,000	By Dirt. expenses	1,800

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To Endowment fund	1,00,000	By Medicines purchased	1,200
To Donations	20,000	By Salaries	5,000
To Fees from patents	2,500	By Office expenses	3,500
To Interest from bank	200	By Govt. securities	1,00,000
To Miscellaneous Receipts	300	By Balance c/d	
		Cash	500
		Bank	<u>5,000</u>
			5,500
	1,35,000		1,35,000

Donations are to be capitalised. The Government securities represent investment of endowment fund amt.

Outstanding subscription Rs. 2,000. Outstanding interest on Govt. securities Rs. 7,000, office expenses outstanding Rs. 500.

Depreciate instruments and equipments at 20% and furniture at 10%.

Stock of medicines as on 31-12-2011 Rs. 200.

OR

(ii) What are non trading concerns ? Name two non trading concerns ? How does it differ form trading concerns.

(b) (i) Write a note on deferred revenue expenditure.

Marks : 5

OR

(ii) Differentiate between capital receipts and revenue receipts.



UNIT – V

Q. No. 5. (a) (i) Distinguish between manual accounting and computerised accounting.

Marks : 9

OR

(ii) What are the Pro's and Con's of computerised accounting ?

(b) (i) Write a note on Tally package.

Marks : 5

OR

(ii) Write a note on payroll accounting.
