



II Semester 5 Year B.B.A., LL.B. (Hons.) Examination, Dec. 2012
FINANCIAL ACCOUNTING (Repeaters)

Duration : 2½ Hours

Max. Marks : 70

- Instructions:**
1. Answer **all 5** questions.
 2. **One** essay type question or problem and **one** short question 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

Marks : 9

Q. No. 1. (a) What do you mean by Double Entry System of Book-keeping ?
What are its advantages and disadvantages ?

OR

What is Accountancy ? Explain different Accounting Conventions.

(b) Write a short note on :

Marks : 5

Difference between accounting concepts and conventions.

OR

Distinction between Book-Keeping and Accounting.

UNIT – II

Marks : 9

Q. No. 2. (a) Journalise the following transactions of Shri Shankar.

2004

- April 1 Shankar commenced business with cash Rs. 20,000.
" 4 Purchased goods from Ramesh Rs. 2,000 on credit.
" 6 Paid Ramesh Rs. 500 on account.
" 8 Sold goods to Rajan Rs. 900 on credit.

P.T.O.



2004

- April 12 Received from Rajan Rs. 300 on account
" 16 Bought goods for cash Rs. 600.
" 18 Sold goods for cash Rs. 400.
" 23 Received commission Rs. 50.
" 26 Paid advertisement charges Rs. 100.
" 27 Withdrawn goods for domestic use Rs. 200.
" 30 Paid salary of Manager Rs. 700.

OR

Enter the following transactions in a three column cash book.

- June 1 Cash in hand Rs. 2,800; Cash at Bank Rs. 8,100
" 3 Received from Joseph Rs. 1,500 and allowed him discount Rs. 20.
" 7 Paid into bank Rs. 4,000.
" 8 Received for cash sales Rs. 100 and cheque Rs. 190. The cheque was paid into bank.
" 10 Paid George by cheque Rs. 570 in full settlement of his account for Rs. 600.
" 11 Cash purchases by cheque Rs. 700.
" 15 Drew for office use Rs. 350
" 17 Advertising expenses paid Rs. 50.
" 20 Nithin paid direct into our account in bank Rs. 620
" 22 Withdrew cash from office for personal use Rs. 170.
" 26 Paid rent by cheque Rs. 200
" 27 Received from Raja a cheque for Rs. 490 and allowed him discount Rs. 10.
" 29 Received commission by cheque Rs. 220.
" 30 Cash in excess of Rs. 400 was paid into bank.

(b) Write a short note on :

Marks : 5

Subsidiary Books

OR

Trial Balance.



UNIT – III

Q. No. 3. (a) From the following trial balance of Pavan as on 31-12-1976
prepare final accounts.

Marks : 9

Particulars	Debit	Credit
	Rs.	Rs.
Capital Account		1,20,000
Drawings Account	15,000	
Bills Receivable	22,000	
Machinery	20,000	
Debtors and Creditors	60,000	58,000
Wages	39,000	
Purchases and sales	2,52,000	3,55,000
Commission		5,500
Rent and taxes	6,000	
Stock on 1-1-1976	90,000	
Salaries	10,500	
Travelling expenses	2,000	
Insurance	600	
Repairs	3,400	
Bad Debts	3,500	
Furniture	9,000	
Returns	5,000	2,000
Cash in hand	500	
Cash at bank	2,000	
	5,40,500	5,40,500



Adjustments :

- 1) Stock on hand on 31-12-1976 was Rs. 1,00,000.
- 2) Create 5% provision on debtors.
- 3) Prepaid insurance amounts to Rs. 100.
- 4) Commission earned but not received amounts to Rs. 500.
- 5) Wages and salaries are unpaid to the extent of Rs. 1,000 and Rs. 1,500 respectively.
- 6) Depreciate machinery by 5% and furniture by 10% per annum.

OR

Following are the balances extracted from the books of Praveen.

Praveen's capital	30,000
Praveen's drawings	5,000
Furniture and fittings	2,600
Bank overdraft	4,200
Creditors	13,300
Business premises	20,000
Stock on 1 st Jan. 1973	22,000
Debtors	18,600
Rent from tenants	1,000
Purchases	1,14,000
Sales	1,50,000
Sales returns	2,000
Discount (Debit)	1,600
Discount (Credit)	2,000
Taxes and insurance	2,000
General expenses	9,000
Salaries	2,200



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Carriage on purchases	1,800
Provision for bad debts	600
Bad debts written off	800
Commission received	500

Adjustments :

Stock in hand on 31st Dec. 1973 valued at Rs. 20,000. Rent Rs. 300 is still due from the tenants. Salaries Rs. 750 are yet unpaid. Write off bad debts Rs. 600. Depreciate business premises by Rs. 300 and fittings by Rs. 260. Make a provision of 5% on debtors for bad debts.

(b) Write a short note on :

Marks : 5

Trading and Profit and Loss A/c.

OR

Manufacturing Account.

UNIT – IV

Q. No. 4. (a) Suresh owed money to Brijesh and hence accepted two bills each of Rs. 5,000 at three months duration drawn on him by the latter on 1st January, 1995. Brijesh 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.

Marks : 9

Suresh paid the bill held by Mukesh on the due date, but failed to meet the bill presented by the bank. The bank debited Brijesh's account on 4th April, 1995 inclusive of bank charges of Rs. 10. Suresh paid the amount inclusive of charges to Brijesh on 10th April, 1995.

Show the Journal entries in respect of the above in the books of Suresh and Brijesh.

OR



On 1-1-2004 X sells goods to Y worth Rs. 6,000 on credit and draws three bills on him on the same date. The first bill of Rs. 1,000 for 1 month, the second for Rs. 2,000 for 2 months and the third for Rs. 3,000 for 3 months. Y accepts the same and returns them to X. X retained the first bill until the due date. On 4-1-2004 the second bill is endorsed over to Z and the third bill is discounted at 20% p.a. on the same date.

Pass the Journal entries in the books of X, Y, and Z assuming that all the bills are met on their respective due dates.

(b) Write a short note on :

Marks : 5

Characteristics and kinds of Bill of Exchange.

OR

Promissory note.

UNIT – V

Q. No. 5. (a) From the following receipts and payments account of Sanjeevini Hospital newly commenced on 1-1-2011 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

Receipts and Payments Account for the year ended 31-12-11.

To Balance B/D		- By Instruments and equipments	12,000
To subscriptions	10,000	By Furniture	6,000
To Entrance fees	2,000	By Diet expenses	1,800
To Endowment fund	1,00,000	By Medicines purchased	1,200
To Donations	20,000	By Salaries	5,000
To Fees from patients	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	5,000
			<u>5,500</u>
	1,35,000		1,35,000



Donations are to be capitalised. The Govt. securities represent investment of the Endowment Fund Amount.

Outstanding subscriptions Rs. 2,000. Outstanding interest on Government 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 is Rs. 200.

OR

Explain the meaning of the following terms and show how you will deal with them while preparing the final accounts of a club.

- a) Subscriptions
- b) Donations
- c) Entrance fee
- d) Special funds
- e) Legacy
- f) Sale of old newspapers.

(b) Write a short note on :

Marks : 5

Difference between Receipts and Payments A/c and Income and Expenditure Account.

OR

Capital Receipts and Payments And Revenue Receipts and Payments.
