



6004

First Semester 5 Years B.B.A., LL.B. Examination, March/April 2021
FINANCIAL ACCOUNTING

Duration : 3 Hours

Max. Marks : 80

- Instructions :**
1. Answer any five Questions from group (a) each question carries 10 marks.
 2. Answer any five Questions from group (b) each question carries 06 marks.
 3. Answers should be written in English.

Q. No. 1. (a) What are the types of accounts under English system ?

Classify the following account into personal accounts, real accounts and nominal accounts.

Marks : 10

- 1) Capital A/c
- 2) Purchases A/c
- 3) Cash A/c
- 4) Salary A/c
- 5) Vehicle A/c
- 6) Infosys Ltd. A/c
- 7) Salary Payable A/c
- 8) Vishwas A/c
- 9) Commission receivable A/c
- 10) Canara Bank A/c
- 11) Building A/c
- 12) Goodwill A/c
- 13) Patent A/c

P.T.O.



14) Stationary A/c

15) Interest A/c

16) Bank charges A/c

17) Sales A/c

18) Advertisement A/c.

Q. No. 1. (b) "Accounting is the art as well as a science". Explain.

Marks : 6

Q. No. 2. (a) Distinguish "Accounting Concepts" and "Accounting Conventions".

Marks : 10

Q. No. 2. (b) Analyse the following transactions by applying the rules of debit and credit under English system of accounting.

Marks : 6

1) Commenced business with cash Rs. 50,000.

2) Bought goods from Ranga on credit Rs. 50,000.

3) Purchased furniture for cash Rs. 10,000.

4) Cash sales to Ananth Rs. 3,000.

5) Received interest of Rs. 1,000 from Abhay.

Q. No. 3. (a) Record the following transactions in three column cash book and balance it.

Marks : 10

| | Details | Amount (Rs). |
|--------------------|--------------------------------------|--------------|
| 2017 August | | |
| 1 | Cash balance | 15,000 |
| | Bank balance | 10,000 |
| 3 | Paid insurance premium by cheque | 4,200 |
| 8 | Cash sales | 22,000 |
| 9 | Payment for cash purchases | 21,000 |
| 10 | Cash deposited into bank | 15,000 |
| 14 | Withdrawn from bank for personal use | 6,000 |



| | | |
|----|--|--------|
| 16 | Withdrawn from bank for office use | 14,500 |
| 23 | Received cash from Michel and Discount allowed | 6,850 |
| | | 150 |
| 25 | Cheque received from Kumar | 4,500 |
| 31 | Rent paid by cheque | 4,000 |

Q. No. 3. (b) Explain the importance of journal in accounting system.

Marks : 6

Q. No. 4. (a) Journalise the following transactions in the books of Mr. Goudar.

Marks : 10

| Details | | Amount (Rs). |
|---------------|---|--------------|
| 2016 December | | |
| 1 | Business started with cash | 1,20,000 |
| 2 | Opened bank account with ICICI | 40,000 |
| 4 | Goods purchased for cash | 12,000 |
| 10 | Paid cartage | 500 |
| 12 | Goods sold on credit to M/s Lara India | 25,000 |
| 14 | Cash received from M/s Lara India on A/c | 10,000 |
| 16 | Goods returned from M/s Lara India | 3,000 |
| 18 | Paid trade expenses | 700 |
| 19 | Goods purchased on credit from Taranum | 32,000 |
| 20 | Cheque received from M/s Lara India for final settlement and deposited same into bank | 11,500 |
| | Discount allowed | 500 |
| 22 | Goods returned to Taranum | 1,500 |
| 24 | Paid for stationary | 1,200 |
| 26 | Cheque given to Taranum on account | 20,000 |
| 28 | Paid rent by cheque | 4,000 |
| 29 | Drew cash for personal use | 10,000 |
| 30 | Cash sales | 12,000 |
| 31 | Goods sold to M/s Puspak Traders | 11,000 |

Q. No. 4. (b) State the objectives of cash book.

Marks : 6



Q. No. 5. (a) The following are the balances extracted from the books of

Mr. Manju as on 31-12-1989.

Marks : 10

| | Rs. | | Rs. |
|---------------------|--------|------------------|--------|
| Manju's capital | 30,000 | Wages | 15,000 |
| Interest (Dr.) | 750 | Stock (1-1-1989) | 4,500 |
| Office rent | 250 | Salaries | 3,500 |
| Taxes and insurance | 200 | Bills payable | 3,000 |
| Machinery and plant | 10,000 | Loose tools | 500 |
| Sundry debtors | 25,000 | Cash in hand | 400 |
| Bills receivables | 2,500 | Stock of books | 250 |
| Sundry creditors | 15,000 | Office expenses | 350 |
| Bank overdraft | 1,000 | Sales | 48,200 |
| Business premises | 28,000 | Purchases | 21,000 |
| Loan (Cr.) | 15,000 | | |

The stock at close was Rs. 6,000. Wages and salaries were outstanding to the extent of Rs. 100 and Rs. 75 respectively. Insurance prepaid amounted to Rs. 25.

Prepare the Final accounts for the year ending 31-12-1989.

Q. No. 5. (b) What do you mean by financial statements ?

Marks : 6

Q. No. 6. (a) From the following trial balance and the adjustments given below prepare the final account of Mr. Sunil.

Marks : 10

| Sl. No. | Name of Accounts | Dr. | Cr. |
|---------|------------------|--------|--------|
| 1 | Capital | — | 56,000 |
| 2 | Drawings | 6,000 | — |
| 3 | Purchases | 30,000 | — |
| 4 | Sales | — | 65,000 |



| | | | |
|----|-------------------|-----------------|-----------------|
| 5 | Stock on 1-1-2010 | 24,000 | - |
| 6 | Machineries | 16,000 | - |
| 7 | Building | 40,000 | - |
| 8 | Wages | 4,000 | - |
| 9 | Cash | 2,000 | - |
| 10 | Cash at bank | 4,600 | - |
| 11 | Bills receivable | 7,000 | - |
| 12 | Debtors | 17,000 | - |
| 13 | Bills payable | - | 10,000 |
| 14 | Creditors | - | 28,000 |
| 15 | Insurance | 1,450 | - |
| 16 | General expenses | 3,200 | - |
| 17 | Salary | 3,400 | - |
| 18 | Commission | 1,350 | - |
| 19 | Interest | - | 1,000 |
| | | 1,60,000 | 1,60,000 |

Adjustments :

- Stock on 31-12-2010 was valued at Rs. 30,000.
- Depreciate machinery at 10%.
- Allow interest on capital at 5% p.a.
- Outstanding wages Rs. 1,500.
- Prepaid insurance Rs. 450.
- Make provision for doubtful debts at 5% on debtors.

Q. No. 6. (b) State the meaning of balance sheet.

Marks : 6



Q. No. 7. (a) On 1-1-2012 Dhanpal bought goods worth of Rs. 2,000 from Bhupal and accepted a four months bill in settlement. On 1-2-2012 Bhupal bought goods worth Rs. 4,000 from Narpal and in payment he handed Narpal. Dhanpal's acceptance and paid cash Rs. 1,950. Narpal allowing Rs. 50 by way of discount. On the due date Dhanpal dishonoured his acceptance.

Pass the journal entries in the books of Bhupal, Dhanpal and Narpal.

Marks : 10

Q. No. 7. (b) Define bills of exchange. State its essentials.

Marks : 6

Q. No. 8. (a) On 1-1-2012 A draws a bill on B at 3 months for Rs. 2,000 and B draws on A a bill for a similar amount and term. Both the bills are accepted and discounted at 20% p.a. each by the respective parties. B meets his own acceptance on maturity. But A's acceptance is dishonoured A then accepts a new bill at 2 months for the amount due by him including interest Rs. 100. The new bill is duly met on the due date.

Pass the journal entries in books of both the parties.

Marks : 10

Q. No. 8. (b) Distinguish between accommodation bill and trade bill.

Marks : 6

Q. No. 9. (a) From the following information given in respect of certain items of a sports club. Show these items in the income and expenditure account and balance sheet of the club.

Marks : 10

| | Rs. |
|----------------------------|--------|
| Sports fund as on 1-4-2005 | 35,000 |
| Sports fund investment | 35,000 |
| Interest on sports fund | 4,000 |
| Donations for sports fund | 15,000 |



| | |
|--------------------------------------|--------|
| Sports prizes awarded | 10,000 |
| Expenses on sports events | 4,000 |
| General fund | 80,000 |
| General fund investments | 80,000 |
| Interest on general fund investments | 8,000 |

Q. No. 9.(b) Write a short note on "Non-profit Organisation". Marks : 6

Q. No. 10.(a) Distinguish between "Income and Expenditure Account" and "Receipts and Payments Account". Marks : 10

Q. No. 10.(b) What is subscription ? How is it calculated ? Marks : 6

4
6004

First Semester Five Year B.B.A.L.L.B. Examination, December 2019
FINANCIAL ACCOUNTING
(2018 and 2019 Batch) (New)

Duration : 3 Hours

Max. Marks : 80

Instructions : 1. Answer **all five** Units.2. One essay type question and short note/problems is **compulsory** from **each** Unit.3. Figures to the **right** indicate marks.4. Answers should be written in **English** only.

5. Use simple calculator only.

UNIT – I

Q. No. 1. (a) State the account to be debited and the account to be credited for each of the following :

Marks : 10

- a) Commenced business with Rs. 20,000
- b) Purchased goods from X Rs. 4,000 on credit
- c) Purchased goods from Y Rs. 2,000 for cash
- d) Paid cash Rs. 1,600 to X on account
- e) Returned goods worth Rs. 200 to X.
- f) Purchased furniture from Z Rs. 600 on credit
- g) Purchased machinery for cash Rs. 1,000
- h) Sold goods to A Rs. 1,800 on credit
- i) Sold goods to B Rs. 200 for cash
- j) Received cash Rs. 800 from A on account
- k) A returned good worth Rs. 100
- l) Paid salary Rs. 1,400 to accountant
- m) Paid landlord office rent Rs. 300
- n) Paid wages Rs. 160
- o) Paid for stationery purchased Rs. 40
- p) Paid advertisement charges Rs. 240
- q) Received interest on bank deposit Rs. 500

P.T.O.



- r) Received dividend on shares Rs. 60
- s) Received commission of Rs. 400
- t) Withdrawn cash Rs. 200 for personal expenses.

OR

- (a) What do you mean by Accounting concepts and Accounting conventions ? Explain.

- (b) What are the objectives of book keeping ?

Marks : 6

OR

- (b) Write a short note on "Accounting Standards".

UNIT – II

Q. No. 2. (a) Journalise the following transaction.

Marks : 10

| | | | (Rs.) |
|------|----------|-----------------------------------|----------|
| 2016 | 01 | Business started with i) Cash | 1,50,000 |
| | November | ii) Goods | 50,000 |
| | 03 | Purchased goods from Harish | 30,000 |
| | 05 | Sold goods for cash | 12,000 |
| | 08 | Purchased furniture for cash | 5,000 |
| | 10 | Cash paid to Harish on account | 15,000 |
| | 13 | Paid sundry expenses | 200 |
| | 15 | Cash sales | 15,000 |
| | 18 | Deposited into Bank | 5,000 |
| | 20 | Drew cash for personal use | 1,000 |
| | 22 | Cash paid to Harish | 14,700 |
| | | in full settlement of his account | 15,000 |
| | 25 | Goods sold to Nitesh | 7,000 |
| | 26 | Cartage paid | 200 |
| | 27 | Rent paid | 1,500 |
| | 29 | Received cash from Nitesh | 6800 |
| | | Discount allowed | 200 |
| | 30 | Salary paid | 3,000 |

OR



- (a) Prepare Three column cash book from the following transaction of M/s Vinayaka Enterprises for the month of January 2017.

| Date | Particulars | Amount (Rs.) |
|---------|--|--------------|
| 2017 | 01 Cash in hand | 4,000 |
| January | Bank overdraft | 3,200 |
| | 05 Cash sales | 9,000 |
| | 07 Purchased goods by cheque | 2,000 |
| | 09 Purchased furniture for cash | 2,200 |
| | 11 Cash paid to Mr. Rohit | 2,000 |
| | 14 Deposited into bank | 7,000 |
| | 16 Bank charged interest on overdraft | 200 |
| | 25 Sale of goods for cheque and sent to bank immediately | 3,000 |
| | 27 Rent paid by cheque | 800 |
| | 28 Paid wages by cheque | 500 |
| | 29 Drew cash for personal use | 500 |
| | 30 Paid salary | 1,000 |
| | 31 Interest collected by bank | 1,700 |

- (b) What is cash book ? State its features.

Marks : 6

OR

- (b) What is the meaning of trial balance ? Why is it prepared ?

UNIT – III

- Q. No. 3. (a) Prepare financial statements for the year ending on 31st December 2012 from the following trial balance and adjustment.

Marks : 10

| Name of the accounts | Debit (Rs.) | Credit (Rs.) |
|----------------------|-------------|--------------|
| Drawings and capital | 15,000 | 50,000 |
| Purchases and sales | 40,000 | 70,000 |
| Returns | 2,000 | 3,000 |
| Wages | 4,000 | — |



| | | |
|------------------------------|-----------------|-----------------|
| Salaries | 8,000 | — |
| Debtors and creditors | 12,000 | 10,000 |
| Bills receivable and payable | 5,000 | 4,000 |
| Furniture | 15,000 | — |
| Opening stock | 13,000 | — |
| General expenses | 3,000 | — |
| Insurance | 1,000 | — |
| Cash and bank balance | 19,000 | — |
| | 1,37,000 | 1,37,000 |

Adjustments :

- Closing stock Rs. 20,000
- Insurance prepaid Rs. 200
- Provide for doubtful debts @ 5%
- Depreciate furniture by 10% p.a.

OR

- (a) From the following trial balance of Malini as on 13-12-1976 prepare final accounts.

| Name of accounts | Amount (Dr.) (Rs.) | Amount (Cr.) (Rs.) |
|-----------------------|-----------------------|-----------------------|
| Capital account | — | 1,20,000 |
| Drawing 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 for debtors
- 3) Prepaid insurance amount 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.

(b) What do you mean by bad debts and doubtful debts ?

Mark : 6

OR

(b) What is depreciation ? How it is treated in the books ?

UNIT – IV

Q. No. 4. (a) P draws a bill on Q for Rs. 1,000 and Q accepts the same and returns it to P who endorses it over to R. Then R endorses it to S who discounts the bill for Rs. 980 with his bankers. Before the due date Q approaches P and requests him to receive cash Rs. 500 and to draw a new bill for Rs. 550 to renew the old bill. P agrees to these proposals and also to take up the first bill on due date.

Pass the Journal entries in the books of P, Q, R and S.

Marks : 10

OR

- (a) 'A' drew a bill on 'B' for Rs. 2,000. B accepted the same and returned it to 'A' who endorsed it over to 'C' and 'C' endorsed it over to 'D'. 'D' then discounted the bill for Rs. 1,900 with his bankers. On the due date the bill was dishonoured. Noting charges incurred by the bankers amounted to Rs. 20. Pass the journal entries in the books of all the parties assuming that the bill was taken up by A on dishonour.



- (b) What do you mean by acceptance of bills and endorsement of bills ?

Marks : 6

OR

- (b) Define bills of exchange. What are the main advantages of bills of exchange ?

UNIT – V

- Q. No. 5. (a) From the following Receipt and Payment Account for the year ending 31-03-2015 of Nagi's Club. Prepare Income and Expenditure Account for the same period.

Marks : 10

| Receipt | Amount | Payment | Amount |
|------------------------------|--------|--|--------|
| Dr. | (Rs.) | Cr. | (Rs.) |
| To Balance b/d bank | 25,000 | By Purchase of furniture (1-7-14) | 5,000 |
| To Subscriptions | | By Salaries | 2,000 |
| 2014 – 1,500 | | By Telephone expenses | 300 |
| 2015 – 10,000 | | By Electricity charges | 600 |
| 2016 – 500 | 12,000 | By Postage and stationery | 150 |
| To Donation | 2,000 | By Purchase of books | 2,500 |
| To Hall rent | 200 | By Entertainment expenses | 900 |
| To Interest on bank deposits | 550 | By Purchase of 5% Government papers (1-7-14) | 8,000 |
| To Entrance fees | 1,000 | By Miscellaneous expenses | 600 |
| | | By Balance c/d : | |
| | | Cash | 300 |
| | | Bank | 20,400 |
| | 40,750 | | 40,750 |



The following additional information is available :

- i) Salaries outstanding – Rs. 1,500
- ii) Entertainment expenses outstanding – Rs. 500
- iii) Bank interest receivable Rs. 150
- iv) Subscriptions accrued Rs. 400
- v) 50% of entrance fees is to be capitalised.
- vi) Furniture is to be depreciated at 10% p.a.

OR

- (a) Explain the basic features of Income and Expenditure account and of Receipt and Payment account.
- (b) Write a short note on Capital expenditure and Revenue expenditure.

Marks : 6

OR

- (b) Write a short note on non-profit organisation.