



## **FD-975**

BBA 1st Semester  
Examination, Dec.-Jan., 2021-22

### **FINANCIAL ACCOUNTING**

(105)

*Time* : Three Hours] [Maximum Marks : 90

[Minimum Pass Marks : 32

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**Note** : Answer **all** questions. All questions carry equal marks.

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#### **Unit-I**

1. Discuss the relationship of accounting with other functional areas.

**OR**

What is Accounting? Explain its advantages and limitations.

#### **Unit-II**

2. What do you mean by Journal? Explain the rules of journalising by giving examples.

**OR**

Prepare correct Trial Balance from the following incorrect Trial Balance :

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DRG\_269\_(4)

(Turn Over)

( 2 )

Particulars	(₹)	(₹)
Cost of goods sold	1,50,000	-
Closing Stock		40,000
Debtors	-	60,000
Creditors	-	30,000
Fixed Assets	50,000	-
Opening Stock	60,000	-
Expenses		20,000
Sales	-	2,00,000
Capital	90,000	-
	3,50,000	3,50,000

**Unit-III**

3. Explain rectification of double sided errors.

**OR**

From the following particulars ascertain the Bank Pass book balance of Mr. Ram as on 31st December, 2020 :

- (a) Bank balance as per Cash Book on 31st December, 2020 — ₹ 6,340.
- (b) Bank charged ₹ 160 for interest which was debited in pass book.
- (c) Cheques issued but it was not presented for payment till 31st December, 2020 — ₹ 5,168.
- (d) A cheque was deposited in the bank which was not cleared up till 31st December, 2020 — ₹ 3,170.
- (e) Bank collected interest on investment ₹ 1,000 and dividend of ₹ 550 which was credited only in the pass book.

( 3 )

(f) A customer directly deposited ₹ 4,580 in the account of Mr. Ram which was not recorded in the cash book.

**Unit-IV**

4. What is meant by Final Accounts ? Why is Balance Sheet included in Final Accounts ? When in fact it is a statement, not an account ?

**OR**

From the following Trial Balance and adjustments prepare Final Accounts of Saket Traders for the year ending 31st March, 2020 :

	Debit Balance (₹)		Credit Balance (₹)
Cost of goods sold	95,000	Capital	60,000
General Exps.	4,400	Creditors	7,000
Advertisement	2,200	General Reserve	1,700
Salary	3,500	Provision for Bad Debts	900
Bad Debts	1,400	Sales	1,50,000
Book Debt	18,000	Outstanding Salary	400
Bills Receivable	7,000		
Closing Stock	25,000		
Cash	10,500		
Machinery	23,000		
Buildings	30,000		
	<u>2,20,000</u>		<u>2,20,000</u>

Adjustments :

- (a) On 15th Oct., 2019 a furniture was purchased on credit for ₹ 5,000 but not recorded in the books of account.

( 4 )

- (b) Make a provision for bad debts of  $7\frac{1}{2}\%$  on debtors.
- (c) Write-off depreciation at 10% p.a. on furniture,  $7\frac{1}{2}\%$  on building and 12% on machinery.

**Unit-V**

5. What is the meaning of Depreciation? How is it calculated? Why is it necessary to make its provision for profits?

**OR**

Vandana Ltd., which sells patent on hire purchase terms, has the following transactions for the year 31st Dec., 2020. The gross profit is 25% on the hire purchase price :

		₹
Jan. 1	Stock out on hire at H.P.	40,000
	Stock in the shop	5,000
	Instalments due (Customers still paying)	3,000
Dec. 31	Stock out on hire at H.P.	46,000
	Stock in the shop	7,000
	Instalments due	5,000
	Cash received during the year	80,000

You are required to prepare Hire Purchase Trading Account for the year ended 31st December, 2020.