

**Q.P. Code : 35121**

**First Semester B.B.A. Degree Examination,  
November/December 2019**

*(CBCS – Semester – 2019-20 onwards)*

**Management**

**Paper 1.3 – FINANCIAL ACCOUNTING**

*Time : 3 Hours]*

*[Max. Marks : 70*

*Instructions to Candidates : Answers should be written in English.*

**SECTION – A**

Answer any **FIVE** sub-questions. Each question carries **2** marks : **(5 × 2 = 10)**

1. (a) State the branches of Accounting.
- (b) Give the meaning of Petty Cash.
- (c) Mention two accounting standards.
- (d) What are the golden rules of accounting?
- (e) What is Bank Reconciliation Statement?
- (f) What is ERP-9?
- (g) State two limitations of Trial Balance.

**SECTION – B**

Answer any **THREE** questions. Each question carries **5** marks : **(3 × 5 = 15)**

2. Briefly explain the Objectives of Accounting.
3. Prepare personal account of Mr. Shankar from the following details of transactions :

2016 :

1<sup>st</sup> March – Debit Balance of Shankar a/c ₹ 1,62,000

3<sup>rd</sup> March – Goods purchased from Shankar on credit of ₹ 28,000.

15<sup>th</sup> March – Goods worth Rs. 46,000 sold to him

20<sup>th</sup> March – Paid to him ₹ 26,000

25<sup>th</sup> March – Returned goods to him ₹ 2,600

31<sup>st</sup> March – He returned goods ₹ 12,000.

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4. Enter the following transactions in Simple Cash Book for the month ending 31<sup>st</sup> January 2018 :

2018		Rs.
1 <sup>st</sup> Jan.	Commenced business with cash of	50,000
2 <sup>nd</sup> Jan.	Bought goods for cash	28,000
5 <sup>th</sup> Jan.	Received cash from Arun	2,000
7 <sup>th</sup> Jan.	Paid cash to Sanjay	2,900
10 <sup>th</sup> Jan.	Paid salaries	5,000
14 <sup>th</sup> Jan.	Received cash from Rajesh	950
16 <sup>th</sup> Jan.	Paid into bank	10,000
18 <sup>th</sup> Jan.	Cash sales	4,400
25 <sup>th</sup> Jan.	Purchased stationery	250
31 <sup>st</sup> Jan.	Paid cash to Suresh	3,900

5. From the following Ledger balances, Ascertain Gross profit :

	Rs.
Stock (on 1.4.2016)	1,20,000
Sales	6,00,000
Sales returns	20,000
Purchases	4,80,000
Purchase returns	6,000
Wages	6,500
Carriage Inwards	1,500
Closing stock (on 31.3.2017)	1,50,000

### SECTION - C

Answer any **THREE** questions. Each question carries **15** marks : **(3 × 15 = 45)**

6. From the following Trial Balance of Prasad and Sons as on 31<sup>st</sup> March 2017. Prepare Final Accounts in vertical format :

Debit	Rs.	Credit	Rs.
Stock (1.4.2016)	15,000	Sales	7,80,000
Purchases	2,50,000	Provision for bad and	
Debtors	60,000	doubtful debts	14,000
Drawings	50,000	Creditors	66,000



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Debit	Rs.	Credit	Rs.
Returns Inward	8,000	Bills payable	40,000
Machinery	1,50,000	Return outwards	10,000
Bills receivable	25,000	Capital	2,00,000
Land and buildings	3,00,000		
Salaries	1,00,000		
Wages	20,000		
Advertisement	70,000		
Rent	12,000		
Stationery	7,000		
Bad debts	3,000		
Furniture	35,000		
Cash balance	5,000		
	<u>11,10,000</u>		<u>11,10,000</u>

**Adjustments :**

- Closing stock (31.3.2017) Rs. 12,000
- Outstanding expenses : Wages Rs. 4,000, Rent Rs. 500
- Provision for Bad and Doubtful debts. at 15% on debtors to be made
- Depreciate machinery at 10% and Land and Building @ 8%.

7. From the following Particulars, Prepare Bank reconciliation statement as on 31<sup>st</sup> December 2018 :

2018

- Bank balance as per cash book Rs. 74,000
- Cheques of Rs. 6,000 was issued in Dec. 2018 but these cheques were presented into bank in February 2019
- Cheque of Rs. 4,000 was deposited in Dec. 2018 but Bank collected in January 2019
- Cheque of Rs. 4,000 was received in Dec. 2018 and entered in cash book immediately but deposited into bank in January 2019
- Cheque of Rs. 1,000 was deposited in Dec. 2018 but was dishonoured
- Direct deposit customers of Rs. 10,000 was made in Dec. 2018, but came to know in January 2019
- Interest credited by Bank Rs. 5,000 but no intimation Given by Bank

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- (h) Drawings made by trader Rs. 1,000 not entered in Cash Book  
(i) Bank charges Rs. 2,000 debited in Pass book but not entered in Cash Book  
(j) Cheques issued Rs. 3,000 to customers but not presented for payment.

8. Journalise the following transactions and prepare only the personal accounts :

2018		Rs.
1 <sup>st</sup> June	Commenced business with cash	1,00,000
5 <sup>th</sup>	Purchased a machinery from Mahesh on credit	24,000
8 <sup>th</sup>	Bought goods for cash	3,000
9 <sup>th</sup>	Borrowed loan from HDFC Bank	50,000
10 <sup>th</sup>	Paid suppliers of machinery	15,000
12 <sup>th</sup>	Sold goods to M/S Arun Traders	20,000
15 <sup>th</sup>	Goods returned by M/S Arun Traders	2,000
25 <sup>th</sup>	Paid salaries to office staff	6,000
27 <sup>th</sup>	Purchased motor cycle for cash for office use	30,000
30 <sup>th</sup>	Received cash of Rs. 17,700 from Arun Traders on full settlement of	20,000

9. From the following transactions, Prepare two column cash book :

2019

May 1 <sup>st</sup>	Balance in hand Rs. 25,000
5 <sup>th</sup> May	Purchased goods from Prakash for cash Rs. 7,500
7 <sup>th</sup> May	Received from John Rs. 9,800 after allowing him discount of Rs. 200
10 <sup>th</sup> May	Paid to Jai & Co. Rs. 2,900 and received discount of Rs. 100
16 <sup>th</sup> May	Purchased goods for cash Rs. 4,000
20 <sup>th</sup> May	Paid to Shyam Rs. 7,600 after receiving discount of Rs. 300
21 <sup>st</sup> May	Cash sales Rs. 10,000
25 <sup>th</sup> May	Purchased office furniture for Cash Rs. 2,500
27 <sup>th</sup> May	Paid wages Rs. 500
28 <sup>th</sup> May	Paid Rent Rs. 1,500
30 <sup>th</sup> May	Paid to Naik Rs. 3,800 and received a discount of Rs. 200