

**BBA**  
**2<sup>ND</sup> SEMESTER**  
**FINANCIAL ACCOUNTING**  
**BBA-204**

Duration: 3 Hrs.

Marks: 70

{ Part : A (Objective) = 20  
Part : B (Descriptive) = 50 }

[ PART-B : Descriptive ]

Duration: 2 Hrs. 40 Mins.

Marks: 50

[ Answer question no. One (1) & any four (4) from the rest ]

1. From the following balances extracted from the books of Sh. Gyan on 31st December, 1993, prepare a Trading Account, P & L A/c & a Balance Sheet. 10

Balances	Dr. in ₹.	Cr. in ₹.
Capital		1,28,200
Household Expenses	10,000	
Sales		1,80,000
Return inwards	4,000	
Return outwards		6,000
Purchases	1,50,000	
Cash at Shop	1,600	
Bank Overdraft		15,000
Interest on Overdraft	1,500	
Creditors		17,800
Printing Expenses	18,000	
Freight	8,500	
Rent and Taxes	7,000	
Debtors	32,600	
Commission	3,000	2,200
Freehold Property	30,000	
Sundry Expenses	3,900	
Salaries and wages	20,000	
Life Insurance Premium	1,800	
Insurance Premium	1,600	
Motor Vehicle	39,800	
Typewriter	8,000	
Interest		800
Carriage inwards	2,000	
Carriage outwards	800	
Power	2,200	
Audit Fee	1,700	
Lighting	2,000	
<b>TOTAL</b>	<b>₹. 3,50,000</b>	<b>₹. 3,50,000</b>

2. a. Define the Going Concern Principle with proper example of applications. 5+5=10

b. Make clear understanding of differences exists between Journal and Ledger.

3. a. Define the Scope and Advantages of Financial Accounting. 5+5=10

b. Define the different steps of preparing the journal entries.

4. a. Define the Reducing balance method or Diminishing method of Depreciation against the fixed assets. 5+5=10

b. Define the different Steps of preparing the Ledger Account or Postings to ledger.

5. a. Entity B has the following equipment: 5+5=10

	Equipment 1	Equipment 2
Purchase date	January 1, 20x1	September 1, 20x1
Cost	\$ 72,000	\$ 84,000
Salvage value	\$ 7,200	\$ 8,400
Amount to be depreciated	\$ 64,800	\$ 75,600
Years of useful life	5	5

If Entity B used the straight-line depreciation method, what is the amount of depreciation for each year?

b. Explain the difference between Debtor and Creditor with example.

6. a. What are the different types of Accounts available under Accounts? 5+5=10

b. Define Subsidiary Books and what are the advantages maintaining the Subsidiary Books.

7. a. Define the Generally Accepted Accounting Principles uniformed the Accounting System. 5+5=10

b. What are the different Subsidiary books are available in the Accounting System?

8. Mr. Nirmal has the following transactions in the month of April. You are requested prepare the Journal Entries for the transactions April month 2017. 10

10th April :Commenced business with a capital of 1,00,000

11th April: Purchased goods from Veeru for 20,000

13th April :Purchased Goods for Cash 15,000

14th April: Purchased Goods from Abhiram for cash 9,000

16th April : Bought Goods from Shyam on credit 12,000

17th April : Sold goods worth 15,000 to Tarun

19th April : Sold goods for cash 20,000

20th April : Sold goods to Utsav for cash 6,000

21st April : Sold goods to Pranav on credit 17,000

25th April : Goods taken by the proprietor for personal use 1,000

26th April : Bought Land for 50,000

27th April : Purchased machinery for cash 45,000

28th April : Bought computer from Intel Computers for 25,000

28th April : Cash sales 15,000

29th April : Cash purchases 22,000

30th April: Bought furniture for proprietor's residence & paid cash 10,000

====

**BBA**  
**2<sup>ND</sup> SEMESTER**  
**FINANCIAL ACCOUNTING**  
**BBA-204**

Duration: 20 Mins.

Marks: 20

[ PART-A : Objective ]

Choose the correct answer from the following:

1x20=20

1. We can say that the business is in profit, when:  
 a. Assets exceed  
 b. Income exceeds Liabilities  
 c. Income exceeds Expenditure  
 d. Income exceeds Liabilities
2. According to the double entry system of accounting, an account that obtains benefit is:  
 a. Credit  
 b. Debit  
 c. Income  
 d. No need to show as accounting record
3. Term "Credit" means \_\_\_\_\_ by the business.  
 a. Receiving of benefits  
 b. It has no effect on  
 c. Providing of benefits  
 d. It depends upon item
4. Which of the following shows summary of a company's financial position at a specific date?  
 a. Profit & Loss Account  
 b. Cash Flow Statement  
 c. Balance Sheet  
 d. Income & Expenditure Account
5. Which of the following is an example of business liability?  
 a. Land  
 b. Building  
 c. Cash  
 d. Creditors
6. The unfavorable balance of Profit and Loss account should be:  
 a. Added in liabilities  
 b. Subtracted from current assets  
 c. Subtracted from capital  
 d. Subtracted from liabilities
7. Accounting provides information on  
 a. Cost and income for managers  
 b. Company's tax liability for a particular year  
 c. Financial conditions of an institution  
 d. All of the above
8. The long term assets that have no physical existence but are rights that have value is known as  
 a. Current assets  
 b. Fixed assets  
 c. Intangible assets  
 d. Investments
9. Patents, Copyrights and Trademarks are  
 a. Current assets  
 b. Fixed assets  
 c. Intangible assets  
 d. Investments
10. The debts, which are to be repaid within a short period (year or less) are known as  
 a. Short term liabilities  
 b. Fixed liabilities  
 c. Contingent liabilities  
 d. All of the above
11. The sales income (Credit and Cash) of a business during a given period is called  
 a. Transactions  
 b. Sales returns  
 c. Sales Turnover  
 d. Purchase returns
12. Any recording evidence in support of a business transaction is called  
 a. Journal  
 b. Ledger  
 c. Ledger posting  
 d. Voucher
13. In journal, the business transaction is recorded  
 a. Same day  
 b. Next day  
 c. Once in a week  
 d. Once in a month
14. The process of entering all transactions from the journal to ledger is called  
 a. Posting  
 b. Entry  
 c. Accounting  
 d. None of the above