

**BACHELOR OF BUSINESS ADMINISTRATION
SECOND SEMESTER
FINANCIAL ACCOUNTING
BBA-203**

Duration : 3 hrs.

Full Marks: 70

Time : 20 min.

(PART-A: Objective)

Marks : 20

Choose the correct answer from the following:

1X20=20

1. Double entry system is used in which type of accounting
 - a. Cost
 - b. Financial
 - c. Management
 - d. All
2. Bad debt amount should be credited to
 - a. Debtors account
 - b. Bad debts account
 - c. Sales account
 - d. Creditors account
3. Identify which is wrong rule
 - a. Nominal account- debit all expenses & losses
 - b. Real account- credit what comes in
 - c. Nominal account- credit all incomes & gains
 - d. Personal account- debit the receiver
4. Return of goods by a customer should be debited to _____
 - a. Customers account
 - b. Sales return account
 - c. Goods account
 - d. Purchase account
5. Rent paid to landlord should be credited to
 - a. Landlords account
 - b. Rent account
 - c. Cash account
 - d. Expense account
6. Outstanding salary account is a _____ account
 - a. Nominal account
 - b. Real Account
 - c. Artificial person's account
 - d. Representative personal account
7. Amount brought in by proprietor should be credited to
 - a. cash account
 - b. capital account
 - c. drawings account
 - d. creditors account
8.cost will still be incurred although a plant is shut down temporarily.
 - a. Cost of raw material
 - b. Advertising
 - c. Depreciation
 - d. Carriage
9. The reduction in the value of the fixed assets which can arise due to time factor is
 - a. Discount
 - b. Depreciation
 - c. Reduction
 - d. None of the above
10. Depreciation is a charge against –
 - a. Profit
 - b. Assets

- c. Company
- d. Books of A/c
11. Balance Sheet is a statement of.....
- a. Assets
- b. Liabilities
- c. Capital
- d. All of these
12. Accounting is the process of matching.....
- a. Benefits & Costs
- b. Revenues & Costs
- c. Cash Inflow & Cash Outflow
- d. Potential & Real Performance
13. Which one of the following is not an example of Intangible Assets?
- a. Patents
- b. Trade Marks
- c. Copyright
- d. Land
14. Accounting principles are generally based on
- a. Practicability
- b. Subjectivity
- c. Convenience in recording
- d. None of these
15. The practice of appending notes regarding contingent liabilities in accounting statement is pursuant of
- a. Convention of consistency
- b. Money measurement concept
- c. Convention of conservatism
- d. Convention of disclosure
16. The convention of conservatism when applied to the balance sheet result in
- a. Understand the asset
- b. Understand the liabilities
- c. Overstatement of capital
- d. None of these
17. Creating provision against fluctuation in the price of investment is application of accounting concept
- a. Convention of conservatism
- b. Convention of full disclosure
- c. Convention of consistency
- d. None of these
18. Debit all expenses and losses Credit all gains and income.
- a. Real a/c
- b. Personal a/c
- c. Nominal a/c
- d. None of these
19. The transferring of debit and credit items from journal to the respective accounts in the ledger is called as
- a. Ledger
- b. Posting
- c. Forward journal
- d. None of these
20. Of the following account types, which would be increased by a debit?
- a. Liabilities and expenses.
- b. Assets and equity.
- c. Assets and expenses.
- d. Equity and revenues.

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(PART-B : Descriptive)

Time: 2 HRS 40 MINS

Marks : 50

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

1. Explain the various accounting concepts. 10
2. a. This information is provided by Mr. Neelesh Stock on 01.04.2020 ₹ 20,000 5
During the year Sales was ₹ 4,06,000
Purchases ₹ 2,94,000
Carriage Inwards ₹ 8,000
Clearing charges ₹ 10,000
Dock Charges ₹ 2,000
Sales Return ₹ 6,000
Purchases Return ₹ 4,000
Stock on 31.03.2021 was ₹ 30,000.
prepare Trading Account for the year ending 31.03.2021.
- b. Prepare Profit & Loas account of ABC Ltd. For the year ended 31st December, 2006 from the following information: 5
Gross Profit transferred from the trading account for the year ended 31st December, 2006. 12,580
Rent 2100
Rates & Taxes 900
Salaries 3100
Trade Expenses 200
Discount allowed 150
Discount received 70
Interest paid 120
Interest received 95
Bank Charges 28
Bad Debts 32
Depreciation on Assets 105
3. a. Explain the Relationship between journal and ledger. 5
b. Discuss the causes of depreciation. 5
4. Prepare journal entries for the following transactions of a business called TATA company Ltd. for the year of 2019. 10
- Jan. 1. started business with cash of 300,000
Jan 2. Purchase goods for Rs. 7,000
Jan 3. Purchases goods from Ratan 7,000
Jan 4. Sold goods for cash 6,000
Jan 5. Sold goods to Bimal 15,000
Jan 6. Paid house rent 21,000

Jan 7. Cash deposited into bank	15,000
Jan 8. Purchased Machine	50,000
Jan 9. Received cash as commission	31,000
Jan 10. Paid Salaries	17,000

5. a. What are the branches of accounting? 6
b. Discuss the objectives of accounting. 4
6. a. Distinguish between trading and Profit & Loss Account 5
b. Write a Short note on the balance sheet. 5
7. On 1st January 2019, TATA Co. Ltd. purchased machines @ 100,000. The company paid 20,000 for installation charges and the residual value is 10,000. The life of the machines is estimated for 10 years. Show Machinery Account for 6 years under Straight Line Method. 10
The company is maintaining calendar year for the calculation.
8. 10
What is rectification of errors? Discuss its various types.

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