

**BACHELOR OF BUSINESS ADMINISTRATION
SECOND SEMESTER [SPECIAL REPEAT]
FINANCIAL ACCOUNTING
BBA – 203**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. Balance Sheet is a statement of.....
 - a. Assets
 - b. Liabilities
 - c. Capital
 - d. All of these
2. Accounting is the process of matching.....
 - a. Benefits & Costs
 - b. Revenues & Costs
 - c. Cash Inflow & Cash Outflow
 - d. Potential & Real Performance
3. Which one of the following is not an example of Intangible Assets?
 - a. Patents
 - b. Trade Marks
 - c. Copyright
 - d. Land
4. Accounting principles are generally based on
 - a. Practicability
 - b. Subjectivity
 - c. Convenience in recording
 - d. None of these
5. 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
6. 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
7. 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
8. 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
9. 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

10. 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
11. Double entry system is used in which type of accounting
 - a. Cost
 - b. Financial
 - c. Management
 - d. All
12. Bad debt amount should be credited to
 - a. Debtors account
 - b. Bad debts account
 - c. Sales account
 - d. Creditors account
13. 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
14. Return of goods by a customer should be debited to_____
 - a. Customers account
 - b. Sales return account
 - c. Goods account
 - d. Purchase account
15. Rent paid to landlord should be credited to
 - a. Landlords account
 - b. Rent account
 - c. Cash account
 - d. Expense account
16. Outstanding salary account is a _____ account
 - a. Nominal account
 - b. Real Account
 - c. Artificial person's account
 - d. Representative personal account
17. Amount brought in by proprietor should be credited to
 - a. Cash account
 - b. Capital account
 - c. Drawings account
 - d. Creditors account
18.cost will still be incurred although a plant is shut down temporarily.
 - a. Cost of raw material
 - b. Advertising
 - c. Depreciation
 - d. Carriage
19. 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
20. Depreciation is a charge against -
 - a. Profit
 - b. Assets
 - c. Company
 - d. Books of A/c

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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

1. Explain the various accounting concepts. 10
2. a) Explain the Relationship between journal and ledger. 5+5=10
b) Discuss the causes of depreciation.
3. a) What are the branches of accounting? 6+4=10
b) Discuss the objectives of accounting.
4. 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.
5. a) This information is provided by Mr. Neelesh Stock on 01.04.2020 ₹ 20,000 5+5=10

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 31.03.2021was	₹ 30,000

Prepare Trading Account for the year ending 31.03.2021.
- b) Prepare Profit & Loss account of ABC Ltd. For the year ended 31st December, 2006 from the following information:
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

6. 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

7. What is rectification of errors? Discuss its various types. 10
8. a) Distinguish between trading and Profit & Loss Account 5+5=10
b) Write a Short note on the balance sheet.

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