

**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. a) What are the branches of accounting? 6+4=10  
b) Discuss the objectives of accounting.
2. Journalise the following transactions in the books of Sabyasachi. 2018 10  
January (2018)
- |   |          |
|---|----------|
| 1. Started business with cash                     | 2,00,000 |
| 2. Purchased goods in cash from Madhu             | 43,000   |
| 3. Purchased goods from Amal                      | 32,000   |
| 4. Purchased machine from ABC Co.                 | 16,000   |
| 5. Purchased furniture from Roy Furniture in cash | 54,000   |
| 6. Paid salary                                    | 7,000    |
| 7. Purchased pen and paper                        | 1,200    |
| 8. Purchased postal stamps                        | 1,100    |
| 9. Sold goods in cash to Kamal                    | 62,000   |
| 10. Sold goods to Bimal on credit                 | 18,000   |
| 11. Returned goods to Amal                        | 5,500    |
| 12. Received cash from Santu                      | 2,000    |
| 13. Paid to ABC Co.                               | 50,000   |
| 14. Returned goods from Bimal                     | 1,500    |
| 15. Paid electric bill                            | 3,000    |
| 16. Sold goods to Parimal                         | 3,700    |
| 17. Paid wages                                    | 4,100    |
| 18. Received interest                             | 5,000    |
| 19. Purchased a typewriter                        | 3,250    |
| 20. Paid rent to Mr. Das                          | 1,450    |
3. What is rectification of errors? Discuss its various types. 10
4. On 1st January, 2013. Shreejita Co. Ltd. purchased five machines @ 25,000 each subject to trade discount @ 10% on purchases. The company paid 5,000 for installation charges for five machines. On 1st October, 2015 the Company purchased a new machine for 40,000 after selling two machines for 3 45,000. The lives of the first five machines are estimated for 8 years and residual value of 3,500 each. The new machine is to be depreciated @ 10% p.a.  
Show Machinery Account for 3 years under Straight Line Method. 10
5. Explain the 10 accounting concepts. 10
6. a) Explain the Relationship between journal and ledger. 5+1+4=10  
b) What is Depreciation? Discuss the causes of depreciation.

7. a) Explain the Classification of expenditure. 5+5=10  
 b) Explain the Classification of Income.
8. The following balances are extracted from the books of A. N. Roy as on 10  
 31.12.2018

Trial Balance as on 31.12.2018

Land & Buildings	1,30,000
1,30,000 Stock (1.1.2018)	17,000
Plant and Machinery	1,46,000
Insurance Premium	1,200
Capital	2,49,000
Sales	1,92,000
Salaries	36,000
Sundry Debtors	17,800
Wages	25,600
Sundry Creditors	19,300
Carriage Inwards	500
Cash in hand	200
Return Outwards	2,700
Cash at Bank	16,500
Rent Received	1,650
Bills Receivable	15,200
Purchases	76,000
Bills Payable	17,350

The additional information are supplied :

- a) Closing Stock is valued at 23,000.
- b) Goods purchased for 35,000 were received in stock but no entry was made in the Invoice Book.
- c) Rent for December, 2012 amounting to 1,500 has not yet been received.
- d) Unexpired Insurance premium amounts to 3200.
- e) Goods worth 2,000 was taken by Shri A. N. Roy for his family use, and
- f) Land & Buildings are to be depreciated @ 22% p.a. and Plant & Machinery @ 10 % p.a.

You are required to prepare the Trading and Profit & Loss Account for the year ended 31.12.2014 and the Balance Sheet as on that date.

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