REV-01
BBA/30/10

2024/11

SET B

BACHELOR OF BUSINESS ADMINISTRATION
THIRD SEM
FINANCIAL ACCOUNTING
BBA – 302

[USE OMR FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

(Objective)

Time: 20 min. **Marks: 20**

Choose the correct answer from the following: *1×20=20*

1. Returns outward appearing the Trial Balance are deducted from:
   a. Sales
   b. Purchases
   c. Returns Inwards
   d. Closing stock

2. The preparation of final accounts begins with the preparation of which account?
   a. Trading Account
   b. Profit and Loss Account
   c. Balance Sheet
   d. Trial Balance

3. Which account is used to transfer the net profit of the business?
   a. Capital Account
   b. Cash Account
   c. Drawings Account
   d. Reserves Account

4. The amount of depreciation remains constant year after year under:
   a. Written Down Value Method
   b. Straight Line Method
   c. Sinking Fund Method
   d. Units of production Method

5. Which of the following is considered as capital expenditure?
   a. Payment of wages
   b. Purchase of raw materials
   c. Purchase of machinery
   d. Rent paid

6. What is the main difference between capital income and revenue income?
   a. Capital income is short-term, and revenue income is long-term
   b. Capital income is from core operations, while revenue income is from outside investments
   c. Capital income is from long-term sources, while revenue income is from regular business activities
   d. Capital income increases expenses, while revenue income reduces profits

7. Which of the following is the correct order of steps in the accounting cycle?

a. Trial balance, Journalizing, Posting, Preparing financial statements
b. Journalizing, Posting, Trial balance, Preparing financial statements
c. Journalizing, preparing financial statements, Posting, Trial balance
d. Trial balance, Posting, Journalizing, Preparing financial statements

8. A compound journal entry involves:

a. More than one account being debited or credited
b. Only one account being debited and one credited
c. An entry for the opening balance
d. None of the above

9. Debit means:

a. an increase in asset
b. an increase in liability
c. a decrease in asset
d. an increase in proprietor's equity

10. Which of the following is a cash transaction?

a. Sold goods
b. Sold goods to Ram
c. Sold goods to Ram on credit
d. Sold goods to Ram on account

11. Goodwill is

a. Current asset
b. Fictitious asset
c. Tangible asset
d. Intangible asset

12. Depreciation is related to:

a. Current asset
b. Fixed asset
c. Investment
d. None of the above

13. Discount Allowed appearing in the Trial Balance are shown:

a. On the debit side of Trading Account
b. On the debit side of Profit and Loss Account
c. On the credit side of Trading Account
d. On the credit side of Profit and Loss Account

14. The process of recording a transaction in the journal is called:

a. journalizing
b. posting
c. balancing
d. none of the above

15. Ledger is a book of:

a. original entry
b. journalizing
c. secondary
d. all credit transactions

16. Nominal account having debit balance represents:
   a. income and gains
   b. assets
   c. liabilities
   d. expense or loss

17. Trial balance is prepared to find out:
   a. Profit or loss
   b. Financial position
   c. Arithmetical accuracy
   d. None of the above

18. Suspense account in the trial balance is to be shown in
   a. Trading account
   b. Profit and loss account
   c. Balance sheet
   d. None of the above

19. Goods taken by the Proprietor for own use will be credited to
   a. Drawing account
   b. Sales account
   c. Office account
   d. Purchases account

20. Which of the following branches of accounting deals with providing information to external users?
   a. Financial Accounting
   b. Cost Accounting
   c. Management Accounting
   d. Forensic Accounting

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Descriptive

Time: 2 hr. 40 mins. Marks: 50

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

1. What is Book-Keeping. Write down the differences between Book-keeping and Accounting. 2+8=10

2. Journalize the following transactions in the books of Mr. Ranjan. 10

2024
April

1	Started business with a capital of Rs 50,000
4	Bought goods for cash Rs 10,000
8	Bought goods from Meena on credit Rs 7,000
10	Goods returned to Meena Rs 500
15	Received an inward invoice for goods worth Rs 1000 from Naren
20	Purchased goods from Pallabi on cash Rs 25,000
21	Sold goods to Bikram Rs 5000
25	Salaries paid Rs 5000
27	Carriage inward paid Rs 500
30	Goods returned by Bikram Rs 4000

3. What are the branches of accounting. Write in detail 3+7=10

4. Discuss the classification of Accounting Errors. Rectify the following errors: 5+5=10
   Credit purchase from Sathyan Rs50,000 in the following alternative cases
   a. were not recorded
   b. were recorded as Rs 35,000
   c. were recorded as Rs 60,000
   d. were not posted to his account
   e. were posted to his account as Rs 5000

5. From the following information prepare a manufacturing Account for the year ending on 31st March, 2022 10

Particulars	Rs	Particulars	Rs
Work-in-progress	4,000	Wages	20,000
(1.4.2021)		Salary of works	8,000
Raw-materials	90,000	manager	6,000
(31.3.2022)		Power, Electricity and	
Carriage Inwards	3,000	Water	4,000
Freight Inwards	2,000	Fuel	
Returns Outward	2,200	Depreciation:	8,000
Sales of scrap	1,000	on Plant and Machinery	4,000
Work-in-Progress	5,000	on Factory Building	
(31.3.2022)		Repairs and insurance:	6,000
Raw-materials	74,000	on Plant and Machinery	2,000
(1.4.2021)		on Factory Building	
Raw-materials	45,000		
purchased			
Factory Rent and	10,000		
Taxes			
General Expenses	2,000		

6. From the following information, prepare Profit and Loss Account of X Ltd. for the year ending on 31st March, 2024. 10

Particulars	Rs	Particulars	Rs
Gross profit	5,00,000	Commission	2,000
Salaries and	10,000	Allowed	3,000
wages	1,000	Commission	3,000
Wages and	2,000	received	4,000
salaries	5,000	Interest Allowed	4,000
Carriage Inwards	3,000	Interest Received	5,000
Carriage	5,000	Rent Paid	
Outwards	1,000	Rent Received	5,000
Freight Inwards	2,000	Apprenticeship	
Freight	3,000	Premium Received	6,000
Outwards		Apprenticeship	1,000
Discount		Premium Paid	3,000
Allowed		General Expenses	3,000
Discount		Miscellaneous	
Received		Income	
Dividend		Breakage Allowed	
Received			

7. Explain the following terms: 2+5=10

   a. Trial Balance
   b. Suspense Account
   c. Compound Journal Entry
   d. Asset
   e. Business Entity Concept

8. What do you mean by Depreciation? Write any three causes of Depreciation. Discuss the need for charging depreciation. 2+3+5=10