

(i) Printed Pages : 7]

Roll No.

(ii) Questions : 14]

Sub. Code :

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**Bachelor of Business Administration 1st
Semester Examination**

1127

FINANCIAL ACCOUNTING

Paper : BBAS105

Time : 3 Hours]

[Max. Marks : 80

Note :- There are three Sections namely A, B and C.

Section A carries 20 marks. Students are required to attempt *four* questions out of 6 questions. Each question carries 5 marks. Section B carries 30 marks and students are required to attempt *two* questions out of 4 questions. Each question carries 15 marks. Section C carries 30 marks and students are required to attempt *two* questions out of 4 questions. Each question carries 15 marks.

NA-119

(1)

Turn Over

5. Give journal entries for forfeiture and re-issue of shares :
P Ltd., forfeited 1000 shares of Rs. 10 each, Rs. 7 called up, issued at a premium of 20% (to be paid at the time of allotment) for non-payment of 1st call of Rs. 2 per share. Out of these, 600 shares were re-issued as Rs. 7 paid up for Rs. 4 per share.
6. On 15.2.2016, A Ltd., invited applications for issue of 1,00,000 9% Debentures of Rs. 100 each at a discount of 6%, redeemable at par after 3 years. The full amount was payable on application and the debentures were issued on 15.3.2016. Give journal entries for the above transactions.

Section-B

2×15=30

7. Define 'Accounting'. Discuss the objectives and limitations of 'Financial Accounting'.
8. Write short notes on the following :
- (i) Accounting Cycle
 - (ii) Management Accounting
 - (iii) Cost concept of Accounting

NA-119

(3)

Turn Over

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9. From the following Trial Balance of Shri. Rama Nand Sagar, prepare Trading and Profit & Loss A/c for the year ended 31st December, 2015 and a Balance Sheet as on that date :

| Dr. Balance | Rs. | Cr. Balance | Rs. |
|-------------------|--------|------------------|----------|
| Opening Stock | 20,000 | Sales | 2,70,000 |
| Purchases | 80,000 | Purchase Return | 4,000 |
| Sales Return | 6,000 | Discount | 5,200 |
| Carriage Inwards | 3,600 | Sundry Creditors | 25,000 |
| Carriage Outwards | 800 | Bills Payable | 1,800 |
| Wages | 42,000 | Capital | 75,000 |
| Salaries | 27,500 | | |
| Plant & Machinery | 90,000 | | |
| Furniture | 8,000 | | |
| Sundry Debtors | 52,000 | | |
| Bills Receivable | 2,500 | | |
| Cash in Hand | 6,300 | | |
| Travelling Exp. | 3,700 | | |

| | | |
|------------------|-----------------|-----------------|
| Lighting | 1,400 | |
| Rent and Taxes | 7,200 | |
| General Expenses | 10,500 | |
| Insurance | 1,500 | |
| Drawings | 18,000 | |
| Total | 3,81,000 | 3,81,000 |

Adjustments :

- (i) Stock on 31st December, 2015 was valued at Rs. 24,000 (Market value Rs. 30,000).
- (ii) Wages outstanding for December, 2015 amounted to Rs. 3,000.
- (iii) Salaries outstanding for December, 2015 amounted to Rs. 2,500.
- (iv) Prepaid insurance amounted to Rs. 300.
- (v) Provide depreciation on Plant and Machinery at 5% and on Furniture at 20%.

10. Prepare a Bank Reconciliation Statement as on 30th September 2016 from the following transactions :

| | Rs. |
|---|------------|
| (i) Bank Balance as per Pass Book | 10,000 |
| (ii) Cheque deposited into Bank, but no entry was made in the Cash Book | 500 |
| (iii) Cheque received and entered in the cash book but not sent to bank | 1,200 |
| (iv) Credit side of the cash book bank column cast short by | 200 |
| (v) Insurance premium paid directly by the bank under the standing advice | 600 |
| (vi) Bank charges entered twice in the cash book | 20 |
| (vii) Cheque issued, but not presented to bank for payment | 500 |
| (viii) Cheque received entered twice in the Cash Book | 1,000 |
| (ix) Bill discounted dishonoured not recorded in the Cash Book | 5,000 |
| (x) Bank recorded a Cash Deposit of Rs. 3,210 as 3,120 | |

Section-C

2×15=30

11. Explain the procedure of issuing debentures at par, at discount and at premium. Taking imaginary example, pass necessary journal entries in all the cases.
12. Write short notes on the following :
 - (i) Sweat Equity Shares
 - (ii) Employees Stock Option
 - (iii) Minimum Tradable lot
13. Give a specimen of Company's Balance Sheet according to Indian Companies Act, 1956.
14. Explain the procedure of preparing Financial Statements through Computer Software.