LJ-235

BBA

1st Semester Examination, July-Dec., 2020

Paper - IV

Financial Accounting

Time : Three Hours] [*Maximum Marks* : 90

[*Minimum Pass Marks* : 32

Note : Answer **all** questions. All questions carry equal marks.

Unit-I

1. "Accounting is the language of business." Explain.

OR

Write short notes on the following :

(*a*) Difference between Book-Keeping and Accountancy

(*b*) Relationship of Accounts with other disciplines (Any **three**)

Unit-II

2. An inexperienced Accountant prepare this Trial Balance, but unable to match the total. So you are required to correct the Trial Balance.

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Trial Balance

Name of Accounts	L/f	Dr. Amt. (₹)	Cr. Amt. (₹)
Reserve Fund		2,000	
Purchases and Sales		6,000	10,000
Return by the customer		100	
Return to the shop			200
Opening Stock		3,000	
Closing Stock			4,000
Expenses			2,000
Outstanding Expenses		200	
Bank Balances		500	
Assets		5,000	
Debtors			8,000
Creditors			3,000
Capital A/c		9,400	
Suspense A/c being the difference in books		1,000	
Total		27,200	27,200

OR

What do you mean by Capital Expenditure and Revenue Expenditure ? What are the characteristics of each of them ? Why is it necessary to make a distinction between the two ?

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Unit-III

3. Prepare Bank Reconciliation Statement and find out the balance as per Pass Book as at March 31, 2020 from the following details :

		₹
(*a*)	Bank overdraft as per cask book	15,160
(*b*)	Bank charges not recorded in cask book	50
(*c*)	Cheques issued but not presented for payment	22,000
(*d*)	Interest on bank overdraft not recorded in cash book	500
(*e*)	Cheques deposited into bank but not credited in the pass book	2,500
(*f*)	Interest on the Unit Trust of India directly credited in the bank and not recorded in cash book	1,200

OR

What do you mean by Accounting Errors ? Why are finding out errors ? Explain the method of location of errors.

Unit-IV

4. Prepare a Trading Account of a trader for the year ending 31st March, 2020 from the following data :

Opening Stock ₹ 2,40,000, Cash Purchase ₹ 2,08,000, Credit Purchase ₹ 4,00,000, Cash Sales ₹ 3,50,000, Credit Sales ₹ 6,00,000, Purchase Returns ₹ 8,000, Sales Return

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₹ 10,000, Direct Exp. ₹ 32,000, Cost of goods distributed as free sample ₹ 5,000, Goods withdrawn by the trader for personal use ₹ 2,000, Goods damaged by fire ₹ 13,000.

The cost of Closing Stock was ₹ 1,20,000 but its market value was ₹ 1,50,000.

OR

Write short notes on the following :

(*a*) Difference between Trading Account and Profit and Loss Account

(*b*) Format of Balance Sheet. (Arrange in order of permanency)

Unit-V

5. Distinguish between Hire Purchase System and Instalment Payment System.

OR

Gupta Traders bought a Machinery on 1st April, 2015 for ₹ 1,19,000 and spent ₹ 15,000 on its establishment. The estimated life of the Machinery is 4 years, after which its residual value is estimated ₹ 13,400.

Calculate annual depreciation according to fixed instalment method and prepare Machinery Account for four years. Accounts are closed on 31st March every year.

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