Total No. of Questions : 10

Total No. of Printed Pages : 4

Roll No. .....

BH-5303

B.B.A., I Semester Examination, December-January : 2025-2026
(Discipline Specific Core Course (BBSC-03))
FINANCIAL ACCOUNTING
Paper - III

Time : Three Hours] [*Maximum Marks* : 70

Note : Section-A is compulsory containing 10 objective type questions of 10 marks and 5 short answer type questions, carrying 4 marks for each, total of 20 marks.

Section-B containing 8 descriptive type questions, two from each unit with 50% internal choice, carrying 10 marks for each, total of 40 marks.

Section-A

1. Answer the following **Objective Type Questions**. $10 \times 1 = 10$

i) Which of the following is not a business transaction?

(a) Purchase of goods for resale amounted to ₹50,000

(b) Paid salaries and wages amounted to ₹10,000

(c) Paid rent for office premises ₹5,000

(d) Purchased a LED Television for personal use ₹40,000

ii) Amount withdrawn by proprietor for personal use will _____ cash and capital

(a) Increase (b) Decrease

(c) Not change (d) None of these

iii) Which of the following is not recorded in the books of accounting

(a) Sales of goods (b) Payment of salary

(c) Quality of staff (d) Purchase of goods

iv) On purchase of old furniture the amount of ₹1,000 spent on its repairs should be debited to

(a) Repairs Account (b) Furniture Account

(c) Cash Account (d) None of these

v) Balance shown in the Balance sheet is that of

(a) Cash book (b) Pass book

(c) Adjusted cash book (d) None of these

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vi) Goods of ₹500 given as charity should be credited to
(a) Charity Account (b) Sales Account
(c) Purchase Account (d) None of these

vii) Trial Balance is prepared to locate
(a) Errors of principles (b) Error's of omission
(c) Compensating errors (d) None of these

viii) Computers owned by a firm are classified as
(a) Tangible Assets (b) Current Assets
(c) Liquid Assets (d) Intangible Assets

ix) Financial statements includes
(a) Trial Balance
(b) Trading and Profit and Loss Account
(c) Balance sheet
(d) Trading and Profit and Loss Account and Balance sheet

x) Software is _____ program which governs our computer.
(a) System (b) Application
(c) A set of intangible instructions (d) All of these

2. Answer the following **Short Answer Type Questions**. All questions carry equal marks. $5 \times 4 = 20$

a) What do you understand by Going concern concept and Entity concept.

b) What is the distinction between revenue expenditure and deferred revenue expenditures? Give at least four examples of deferred revenue expenditure.

c) What is a suspense account? How is it prepared?

d) What do you mean by depreciation? Give some methods name for charging depreciation.

e) Explain creation of groups in Tally prime?

Section-B

Note : Answer the following **Long Answer Type Questions**. Answer any one question from each unit. $4 \times 10 = 40$

Unit-I

3. Explain in detail the double entry system of book-keeping and accountancy and give its advantages.

OR

4 Pass the Journal entries for the following transactions of Sohan:

2025		₹
April 1,	Sohan introduced cash as capital	1,00,000
	Give cheque from his Saving Account	10,00,000
April 2,	Purchased good of ₹1,00,000 against cheque less 10% trade Discount	
April 2,	Issued cheque as advance for machine	1,00,000
April 3,	Purchased goods of ₹2,00,000 less 25%	
	Trade discount and paid immediately availing cash discount of 2%	50,000
April 7,	Sold goods to Rakesh against cheque	
April 10,	Sold goods to Raman ₹25,000 less 10% Trade Discount	
April 14,	Received cheque from Raman and allowed 2% Cash Discount	
April 16,	Cheque received from Raman deposited in Bank	
April 20,	Cheque received from Raman was dishonoured bank charged bank charges	200
April 25,	Paid Life Insurance premium of Ramesh by Bank Draft paid bank charges ₹100	10,000
April 30,	Amount Transferred to fixed deposit	5,00,000

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5. On 31st March, 2022, the cash book of Raj showed debit balance of 49,000. Bank statement or Bank Pass book showed credit balance of ₹37,400. Entries in the cash book and bank pass book were compared and the following difference were identified.

Unit-II

i) Cheques of Shyam ₹9,000 and of Mohan ₹15,000 were deposited but were not collected upto 31st March, 2022.
ii) Ramesh a debtor deposited a cheque of ₹8,000 directly into the bank.
iii) Bank allowed an interest of ₹500.
iv) Cheque for ₹10,000 issued to Ramesh was not presented for payment.
v) Bank debited ₹6,000, being insurance premium paid as per standing instructions.
vi) Bank ₹debited ₹100, being bank charges prepare bank reconciliation of statement as on 31st March, 2022.

6. What precautions will you take at the time of rectification in the following cases?

OR

i) When errors are detected before agreement of Trial Balance.
ii) When errors are detected after agreement of Trial Balance and suspense account has been opened.
iii) When errors are located after preparation of Final Accounts.

Unit-III

7. From the following Trial Balance of Rajan, prepare trading and profit and loss account for the year ended 31st March, 2022 and Balance sheets as at that date after taking into account the adjustments given below

Trial Balance (as at 31st March, 2022)

Heads of Accounts	Dr. (₹)	Cr. (₹)
Rajan's capital	—	3,84,000
Rajan's drawings	7,600	—
Purchases	89,000	—
Sales	—	1,50,000
Sales return	2,800	—
Purchases return	—	4,500
Stock on 1st April 2021	12,000	—
Wages	8,000	—
Building	2,20,000	—
12% investment (purchased on 01-07-2021)	1,00,000	—
Interest on investment	—	9,000
Accrued interest on investment	3,000	—
Freight and carriage inward	20,000	—
General expenses	2,000	—
Advertisement	2,400	—
Commission received	—	3,500
Taxes and Insurance	1,300	—
Debtors	65,000	—
Creditors	—	12,000
Bills receivables	15,000	—
Bills payable	—	7,000
Cash at Bank	12,000	—
Cash in Hand	1,900	—
Salaries	8,000	—
Total	5,70,000	5,70,000

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Adjustments:

i) Stock on 31st March, 2022 valued at ₹15,000

ii) Insurance prepared was ₹400

iii) Outstanding Liabilities were: salaries ₹2,000; Taxes ₹1,300.

iv) Commission of ₹5,000 is yet to be received.

v) Depreciate building @2% p.a.

OR

8. On 1st October 2017, Ram and Mohan purchase a second - hand machine for ₹1,80,000 and spent ₹20,000 on its repair and installation.

On 30th September 2020, the machinery was discarded and sold for 1,40,000 and an amount of 4,000 was paid as dismantling charges. The books are closed on 31st March every year and depreciation is charged @ 10% p.a. on the written down value method.

Prepare machinery Account from the date of purchase of machinery till the date of sale of machinery.

Unit–IV

9. Define a computerised accounting system. Distinguish between a manual and computerised accounting system.

OR

10. Write short notes on the following:

i) Groups

ii) Ledger

iii) Voucher types

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