MB-113

March-2022

B.B.A., Sem.-I

CC-102 : Financial Accounting

Time : 2 Hours]   **[Max. Marks : 37**

Instructions :   (1)   **All** Questions in Section – I carry equal marks.

                   (2)   Attempt any **TWO** questions in Section – I.

                   (3)   Question – **5** in Section – II is **COMPULSORY**.

Section – I

1.   (A)   Discuss difference between Capital Receipt and Revenue Receipt.   7

     (B)   Explain the types of Accounts with examples and also state the rules of debit and credit.   7

2.   (A)   Discuss difference between Receipts & Payments Account and Income & Expenditure Account.   7

     (B)   The following is the Receipts and Payments Account of a club for the year ending on 3 1-3-2021 :   7

Receipts	₹	Payments	₹
To Balance b/f	1,69,960	By Construction of	
To Donations	2,20,000	Building	1,20,000
To Receipts from		By Expenses in	
Football Matches	16,000	Connection with matches	18,000
To Subscriptions	1,04,000	By Furniture	40,000
To Locker Rent	10,000	By Investments	3,20,000
To Interest on Securities	4,800	By Salaries	6,800
To Sundry Income	700	By Insurance	700
		By Telephone expenses	920
		By Electricity expenses	8,000
		By Balance c/f	11,040
	5,25,460		**5,25,460**

Additional Information :

(1)   Subscription Outstanding   ₹ 5,000

(2)   Outstanding Salaries   ₹ 5,200

(3)   Outstanding telephone expenses   ₹   800

(4)   Donations received have to be capitalized.

You are required to prepare the Income & Expenditure account with the help of above details.

3.   From the following Trial Balance of Mr. Shyam Patel, prepare Final Accounts for the year ending on 31 -3 -21 :   **14**

Debit Balances	₹	Credit Balances	₹
Sundry Expenses	7,000	Capital	9,00,000
Leasehold Building	84,000	Creditors	3,72,000
(5 years from 1-4-2020)		8% Loan from Bank	1,80,000
Goodwill	4,56,000	Sales	15,60,000
Advertisement Expenses	36,000	Bad Debt Reserve	7,800
Rent and Taxes	60,000	Discount received	1,800
Carriage Inward	3,600	Bank Overdraft	84,000
Bank Interest	1,200	Bills Payable	1,20,000
Insurance Premium	10,800	Purchase Return	18,000
Salary	1,38,000		
Drawings	1,80,000		
Debtors	5,40,000		
Sales Return	12,000		
Bills Receivable	90,000		
Cash	6,000		
Bad Debts	2,400		
Discount	2,400		
Purchases	8,40,000		
Machinery	2,19,000		
Furniture	72,000		
Stock (1-4-2020)	2,70,000		
Wages	2,10,000		
Octroi	3,200		
	32,43,600		**32,43,600**

Adjustments :

(1) Closing Stock is ₹ 6,00,000.

(2) Goods costing ₹ 20,000 was destroyed by riots and the claim was admitted by Insurance Company for ₹ 12,000, is not recorded in the books.

(3) Credit purchase invoice amounting to ₹ 20,000 had been omitted from the books.

(4) Write off ₹ 2,000 for bad debts and create bad debt reserve at 2% on debtors.

(5) Interest at the rate of 5% per annum is to be allowed on capital.

(6) At the end of the year, unpaid salary is ₹ 4,000, unpaid rent is ₹ 1,600 and unpaid wages ₹ 2,000.

(7) Prepaid Insurance is ₹ 2,160.

4. (A) Discuss the steps to be followed while creating a company in Tally.   7

   (B) Explain advantages of Computers in Accounting.   7

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Section – II

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5. Do as directed : (Any **Nine**)   9

(1) Define : Intangible Assets.

(2) Accounting is concerned with _____ .

    (a) Qualitative transactions   (b) Non monetary transactions

    (c) Monetary transactions   (d) None of the above

(3) Motor Car a/c is a _____ account.

    (a) Real   (b) Nominal

    (c) Personal   (d) None of the above

(4) Assets = Capital + Liabilities. (True/False)

(5) _____ reserve is created by writing of extra depreciation. (Secret/General)

(6) Valuing the closing stock at cost or market price whichever is lower on the basis of _____ .

    (a) Consistency Concept   (b) Materiality Concept

    (c) Matching Concept   (d) Conservatism Concept

(7) Income and expenditure is just like _____ .

    (a) Receipts and Payment a/c   (b) Trading a/c

    (c) Cash account   (d) Profit and Loss a/c

(8) Surplus of income over expenses is _____ .

    (a) Loss   (b) Profit

    (c) Deficit   (d) None of these

(9) Sale of old newspaper should be treated as _____.

    (a) Liability   (b) Asset

    (c) Income   (d) Expenditure

(10) A trial balance helps in checking arithmetical accuracy of the books of accounts. (True/False)

(11) _____ shows the financial position of the business.

    (a) Profit and Loss a/c   (b) Trial Balance

    (c) Balance Sheet   (d) None of the above

(12) Audit fee is debited to _____. (Trading account/Profit & Loss account)

(13) Goods given as samples are credited to Profit & Loss account. (True/False)

(14) Rent has been paid for 11 months from April 2020 to February 2021, amounting ₹ 1,10,000. The outstanding rent will be shown in the balance sheet by _____.

    (a) ₹ 10,000   (b) ₹ 11,000

    (c) ₹ 6,000   (d) ₹ 5,000

(15) The subscription received in advance during the accounting year will be treated as _____. (Asset/ Liability)

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