

Seat No. : _____

MI-107

March-2021

BBA, 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.
(4) Attempt any Nine questions in Section – II.

SECTION – I

1. (A) What is an Account ? Explain various types of accounts with examples and also state rules of Debit and Credit. 7
(B) Distinguish between Revenue expenditure and Capital expenditure. 7
2. (A) The following is the Receipt & Payment account of Sports club for the year ended 31-3-2020. 7

Receipts	₹	Payments	₹
To cash balance (1-4-2019)	13,500	By salary	15,000
To donations	36,000	By purchase of investment	45,000
To entrance fees	15,000	By electric fittings	6,000
To sundry income	2,700	By post-telegram exp.	900
To sale of old magazines	2,100	By stationery exp.	3,000
To subscription	60,000	By sundry exp.	5,400
To interest on investment	2,400	By purchase of sports equipment	30,000
To sale of charity show tickets	84,000	By expense of charity show	60,000
		By subscription of newspaper	9,600
		By prize distributed from prize fund	15,000
		By cash balance (31-3-2020)	25,800
	2,15,700		2,15,700

From the following information, prepare Income & Expenditure account of the club for the year ended 31-3-2020.

- (1) Subscription due but not received ₹ 9000.
- (2) Unpaid salary ₹ 7500.
- (3) Provide depreciation ₹ 3000 on sports equipment.
- (4) Stationery stock ₹ 1500.
- (5) One-half of the donations are to be transferred to Prize Fund and remaining to be capitalized.
- (6) 50% of the entrance fees to be capitalized.

(B) Distinguish between Trading concern and Non-trading concern.

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3. From the following trial balance of Shri Kirtan, prepare trading account and Profit & loss Account for the year ended 31-3-2020 and balance sheet as on that date.

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Name of account	Debit	Credit
Sundry debtors	62,000	
Sundry creditors		42,000
Purchases	1,42,000	
Discount	6000	
Capital		2,50,000
Productive wages	35,000	
Sales		2,70,000
Motorcar	10,000	
Stock on hand (1-4-2019)	1,17,000	
Salaries	24,000	
Travelling expense	10,000	
Carriage inward	4700	
Insurance	9100	
Commission	2850	
Machinery	90,000	
Building	40,000	
6% Loan(1-7-2019)		76,000
Rent and taxes	12,000	
Cash on hand	5000	
Bank balance	48,340	
Repairs	1100	
Sundry expense	13,910	
Interest on 6% loan	3,000	
Advertisement expense	12,000	
Contribution to Provident Fund	2000	
Provident Fund		12,000
Total	6,50,000	6,50,000

Additional information :

- (1) Closing stock is valued at ₹ 1, 50,000 on 31-3-2020.
 - (2) Depreciate building by 5%, machinery by 10% and motor car by 7.5%. There was an addition of ₹ 10,000 to building on 1-10-2019.
 - (3) Pre-paid rent and taxes ₹ 1000.
 - (4) Provide reserve for bad-debts ₹ 3000.
 - (5) Goods costing ₹ 10,000 were destroyed by riots and the claim accepted by insurance company for ₹ 7500 is not recorded in the books.
 - (6) 60% of advertisement expenses are carried forward to next year.
 - (7) Outstanding insurance ₹ 500.
4. (A) Explain various types of voucher entries done in Tally. 7
- (B) Write the steps to be followed while creating a company in Tally. 7

SECTION – II

5. Do as directed : (any **nine**) 9
- (1) Capital = Assets – Liabilities. State true or false
 - (2) The provision is made for doubtful debts on debtors. State the accounting concept suggested by this statement.
 - (3) Define : Contingent Liabilities
 - (4) Huge amount spent on advertisement campaign is a _____ expenditure. (Revenue/Capital Deferred Revenue)
 - (5) Legacy is a _____ income. (Revenue/capital)
 - (6) Bank account is a _____ type of account. (Real/Nominal/Personal)
 - (7) Depreciation charged to fixed assets is _____.
 - (A) Debited to depreciation account
 - (B) Credited to depreciation account
 - (C) Debited to fixed assets account
 - (D) None of the above
 - (8) Carriage outward is debited to _____. (Trading account/ Profit & Loss account)

- (9) In balance-sheet, capital is shown as a liability. State the accounting concept suggested by this statement.
- (10) Income and expenditure account is just like :
- (A) Trading account (B) Profit & loss account
(C) Cash account (D) Receipt and Payment account
- (11) Balance-sheet is a summary statement of ledger balances. State true or false
- (12) Expenditure is classified in two parts as revenue and capital expenditure. State the accounting concept suggested by this statement.
- (13) Define : Creditors
- (14) _____ is a charge against the profit for a specific purpose. (provision/ general reserve)
- (15) The subscription received in advance during the accounting year will be treated as _____.
- (A) an asset (B) a liability
(C) an income (D) a contingent liability
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