

2/31

2203E1292

Candidate's Seat No : \_\_\_\_\_

Integ. LLB Semester-1 Examination

IL BBA-103

Financial Accounting

March-2024

Time : 2-30 Hours]

[Max. Marks : 70 52

INSTRUCTION : (1) Figures to the right indicate marks.

(2) Show calculations as a part of your answer.

1 (A) (1) Discuss types of accounts with examples, also state the rules of debit and credit.

[7]

(2) Explain difference between General Reserve and Provision.

[7]

OR

(1) Explain Difference Between Book keeping and Accountancy.

[7]

(2) State which accounting concept, convention or principle is suggested by the following statements.

[7]

(i) Assets purchased are to be recorded in books of accounts at the actual amount paid for them.

(ii) Insignificant items need not be disclosed in books of accounts.

(iii) The accounting equation : Assets = Liabilities + Capital is based on \_\_\_\_.

(iv) Capital is shown as liability in balance sheet.

(v) Unpaid expenses of the current year are debited to profit and loss account of the current year only.

(vi) Closing stock is valued at cost or market price whichever is lower.

(vii) Loss due to death of an efficient executive is not recorded in accounts

(B) Do as directed. ( any four)

[4]

(1) Trade Mark is \_\_\_\_ type of account and Royalty is \_\_\_\_ type of account.

Show what will be effect on accounting equation  $A = C + L$  of following transactions.

(2) Started Business by bringing cash ₹ 10,00,000 and Machinery ₹ 80,000 .

(3) Salary of ₹ 5,000 paid.

(4) A person whose liabilities are lesser than assets is called \_\_\_\_\_. ( Solvent / Insolvent)

(5) Drawing Account is a \_\_\_\_\_ Account. ( Personal / Real / Nominal )

(6) Provident fund is \_\_\_\_\_ and contribution to provident fund is \_\_\_\_\_ for business.

( Reserve, expense ; Liability, expense; Liability, asset ; Expense, reserve)

2. (A) From the following trial balance and additional information of Shivali, prepare Trading account, Profit and loss account and Balance sheet as on 31/3/2023.

[14]

Trial balance of Shivali as on 31-03-2023

Name of Account	Debit ₹	Credit ₹
Capital and Drawings	25,000	10,25,000
Debtors - Creditors	93,000	30,000
Salary ( Up to February 2023)	49,500	----
Investments in 14% Debentures and interest thereon	40,000	2,800
Freight	9,500	----
Purchase and Sales	1,60,000	4,83,000
Goods Return	8,000	4,500

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Discount	2,800	2,000
Opening Stock	20,000	----
Carriage Outwards	66,500	----
Bad Debts and Provision for Bad Debts	1,000	4,400
Building Repairing Expenses	12,000	----
Provident Fund	----	3,500
Trade Mark	40,000	----
Building	9,50,000	----
Insurance Premium ( For the year ending as on 31-12-2023)	12,000	----
Cash	1,10,700	----
Bad Debt Recovered	----	2,800
15% Loan from IDBI Bank ( From 1-4-2022)	----	40,000
Rent	----	2,000
<b>TOTAL</b>	<b>16,00,000</b>	<b>16,00,000</b>

**Additional Information :**

- (1) Closing stock is ₹ 70,000 and market value of 40% stock is 60% more.
- (2) Write off ₹ 3,000 additional bad debt and Provide reserve for bad debt @ 5% on debtors.
- (3) Out of total net sales 20% sales is done by salesmen and commission @ 5% is payable.
- (4) In Building Repairing Expense ₹ 4,000 is wrongly included for personal building repairing.
- (5) Trade Mark is to be valued at ₹ 36,000.
- (6) Depreciate building @ 5% p.a.

**OR**

2 (A) (1) Give difference between Trial Balance and Balance Sheet.

**[4]**

- (2) From the following trial balance and additional information of Hardik, prepare Trading and profit and loss A/c.

**[10]****Trial balance of Hardik as on 31-302021**

Name of Account	Debit ₹	Credit ₹
Drawing and capital	10,000	89,000
Printing expense	500	
Opening stock	30,000	
Purchase and sales	60,000	1,20,000
Debtors and creditors	95,000	37,800
Plant and machinery	40,000	
Advertisement expenses	500	
Goods returns	1,000	1,100
Wages	5,500	
Commission	600	
Bad debt and bad debt reserve	400	1,900
Salary	5,000	
Insurance	1,300	
<b>TOTAL</b>	<b>2,49,800</b>	<b>2,49,800</b>

**Additional Information :**

- (1) Closing stock of goods is ₹ 18,000 (market value of 10% stock is 10% more) and stock of stationery is of ₹ 100.
- (2) Provide depreciation of ₹ 3,950 on plant and machinery.
- (3) Calculate interest on capital ₹ 5,370 and charge interest on drawing ₹ 350.
- (4) Salary of ₹ 100 is still outstanding and insurance include ₹ 150 paid for next year.
- (5) Write off ₹ 1,000 as bad debt from debtors.
- (6) Provide reserve for bad debt @ 5% on debtors.
- (7) Goods of ₹ 1,500 were burnt by fire and insurance company has accepted a claim of ₹ 800.

**2 (B) Select an appropriate option.**

[3]

- (1) Select an odd one account.  
 (A) Patent account (B) Copyright account  
 (C) Royalty account (D) Goodwill account
- (2) Depreciation in Furniture given in Trial Balance will be shown in \_\_\_\_\_  
 (A) P & L A/c Debit side And deducted from Furniture on asset side  
 (B) P & L A/c Debit side And add to Furniture on asset side  
 (C) deducted from Furniture on asset side only  
 (D) P & L A/c Debit side only.
- (3) Prepaid Insurance shown in trial balance is shown in \_\_\_\_\_  
 (A) Debit side of P&L A/c. (B) Credit side of P&L A/c  
 (C) Shown in the balance sheet as Asset (D) Shown in the balance sheet as Liability

**3 (A) From the following information of Noori Medi-Care, prepare Income & expenditure Account for the year ending on 31<sup>st</sup> March 2023 and Balance Sheet as on that date.**

[14]

Dr.		Receipts and Payments Account		Cr.	
Receipts		₹	Payments	₹	
To Balance B/f		96,000	By Payment for Medicine	9,60,000	
To Subscription A/c.		14,40,000	By Honorarium to Doctors.	6,40,000	
To Legacy A/c..		1,60,000	By Drama Show Expense	2,40,000	
To Drama show Proceeds		6,40,000	By Salary( From 1/3/'22 to 28/2/'23)	96,000	
To Interest on 8% Investments		2,56,000	By Sundry Expenses	4,80,000	
To Donation		8,00,000	By Equipment Purchased	8,16,000	
			By Balance C/f	1,60,000	
		33,92,000		33,92,000	

**Additional Information:**

Particulars	31-3-2022	31-3-2023
Subscription received in advance	64,000	32,000
Outstanding subscription	1,60,000	2,40,000
Building	8,00,000	7,20,000
Equipments	16,00,000	19,20,000
Creditors for Medicine	3,20,000	2,40,000
Salary is always paid on 7 <sup>th</sup> of the next month		

OR

**3 (A)**

- (1) Explain how final accounts of non-trading concern differ from those of trading concern [7]  
 (2) Write short note on: ( any two) [7]  
 (i) Receipt & Payment account and Income & Expenditure account  
 (ii) Fund for Specific Purpose  
 (iii) Characteristics of Non Trading Concerns.

**3 (B) Fill in the blanks**

[3]

- (1) Subscription received for life membership is a \_\_\_\_\_ income. ( capital / Revenue)  
 (2) In non-trading concern capitalized income is shown in \_\_\_\_\_, while revenue income is shown in \_\_\_\_\_.  
 (3) Legacy is \_\_\_\_\_ income and Interest received on investment of prize fund is \_\_\_\_\_ income.