

Seat No. : _____

FC-109

February-2025

Integrated BBA. LL.B., Sem.-I

IL-BBA-103 : Financial Accounting-I

Time : 2:30 Hours]

[Max. Marks : 52

- Instructions :** (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) Write a short note on : 7
(a) Capital Expenditure and Revenue Expenditure
(b) Concept of Materiality and concept of Stable value of money
- 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) Personal expenses of a trader are not recorded in books of account of the business.
(ii) Assets purchased are to be recorded in the books of accounts at the actual amount paid for them.
(iii) If any salary remains unpaid, it is shown as a liability for unpaid salary in balance sheet.
(iv) Retirement of general manager is not recorded in books of account.
(v) Bad debt reserve is provided on debtor.
(vi) Closing stock is valued at cost or market price whichever is lower.
(vii) Generally the accounts of the business are prepared on annual basis.
1. (B) Do as directed : (Any **Four**) 4
(1) Royalty is _____ type of account.
(2) Loss on sale of Factory machinery is debited in _____.
(Trading account/ P & L account)
(3) Double Entry Accounting is not a branch of accounting. (True / False)
(4) Explain term : Reserve capital
(5) Explain term : Secret reserve

2. (A) From the following figures extracted from the books of Yash, you are required to prepare a Trading and Profit and Loss Account for the year ended 31st March 2024 and a Balance Sheet as on that date after making the necessary adjustments : 14

Particulars	₹	Particulars	₹
Yash's capital	3,43,000	Wages	52,800
Yash's drawings	20,000	Sundry creditors	66,050
Plant & Machinery	1,48,000	Postage and telegram	4,950
Freehold Property	99,000	Gas and fuel	4,400
Purchase	1,65,000	Bad debt	990
Return outward	1,600	Office rent	4,290
Salaries	19,000	Freight	14,850
Office expenses	4,930	Loose tools	3,300
Office furniture	8,250	Factory lighting	650
Discount Allowed	1,980	Provision for bad debts	1,950
Sundry Debtors	43,900	Interest on loan to Dhvani	1,650
Loan to Dhvani (at 10 % p.a. from 1/4/2023)	99,000	Cash on hand	3,320
Cash at Bank	43,690	Sales	3,77,300
Bills Payable	8,450	Stock 1/4/23	57,700

Adjustment :

- (1) Stock on 31st March, 2024 was valued at ₹ 1,10,000.
- (2) A new machine was brought by owner at the end of the year costing ₹ 23,000 but it was not recorded in the books. Wages ₹ 1,650 paid for its erection have been debited to Wages account.
- (3) Depreciate Plant and Machinery by $33\frac{1}{3}\%$, Furniture by 10%, Freehold Property by 5%.
- (4) Loose tools were valued at ₹ 2,600 on 31/3/2019.
- (5) Of the sundry debtors ₹ 900 are bad and should be written off.
- (6) Maintain a provision of 5% on sundry debtors for doubtful debts.

OR

2. (A) (1) Write a short note on :
- (i) Closing Stock
 - (ii) Interest on capital and interest on drawing.

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- (2) From the following trial balance of Khushbu, prepare Trading account and Profit and loss account

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Trial Balance.

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Opening Stock	1,40,000	Capital	2,30,000
Goods returns	26,000	Goods returns	16,000
Purchases	10,24,000	Sales	11,88,000
Rent and Taxes	14,000	Creditors	44,000
Salaries	28,000	14% Bank Loan	54,000
Interest on Bank loan	3,300	Commission received	990
Debtors	72,000		
Printing & Stationery	43,000		
Bank Balance	24,000		
Furniture	75,000		
General Expenses	39,700		
Insurance Premium	3,900		
Postage Expenses	7,000		
Cash	1,440		
Drawings	30,000		
Travelling Expenses	2,650		
	15,33,990		15,33,990

Adjustments :

- (1) Credit purchase of ₹ 12,000 is not recorded.
- (2) Closing stock is ₹ 2,53,800.
- (3) Provide depreciation on furniture at 10% p.a.
- (4) 1/4th amount of printing expense is for next year.
- (5) Personal purchase of Khushbu of ₹ 1,000 is recorded in purchase book.
- (6) Goods of ₹ 30,000 was destroyed by fire and insurance company has accepted a claim of ₹ 22,500.
- (7) Write off ₹ 1,500 as bad debt from debtors and create bad debt reserve at 2% on debtors.

2. (B) Select an appropriate option.

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- (1) Accounting is a language of _____.
 - (a) Journal
 - (b) Books of Accounts
 - (c) Non Trading concern
 - (d) Business
- (2) Select an odd account.
 - (a) Machinery account
 - (b) Trade Debtors account
 - (c) Trade Creditors account
 - (d) Bills Receivable account
- (3) Which of the following statements is correct ?
 - (a) The rules of debit and credit are not universal.
 - (b) Normally accounts refer to false transactions.
 - (c) Real account relate to properties of a business.
 - (d) The change in owner's capital is an indication of profit in business.

3. (A) From the following information of Rajpath Club, Ahmedabad, Prepare Income and Expenditure Account for the year ended 31st March, 2024 and Balance sheet as on that date.

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Dr. Receipt and Payment Account for the year ended 31st March, 2024

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Receipts	₹	Payments	₹
To Balance B/f	48,000	To Purchase of furniture	24,000
To Subscription	1,20,000	(on 1/10/2023)	
To Interest on investment (at 10% for full year)	13,200	By Salaries	72,000
To Donation for building	1,20,000	By Purchase of Sports equipments (1/4/2023)	48,000
To Entrance fees	12,000	By Rent, Rates and Insurance	24,000
To Income from Annual Programme	75,600	By Miscellaneous Expenses	36,000
		By Construction of Building	1,20,000
		By Expenses of Annual Programmes	36,000
		By Balance C/f	28,800
	3,88,800		3,88,800

Additional Information :

- (1) Capital Fund as on 1/4/2023 was ₹ 2,58,000.

(2)

	₹ 1/4/2023	₹ 31/3/2024
Outstanding Subscription	12,000	4,800
Subscription Salaries received in advance	1200	720
Outstanding Salaries	9,600	7,200
Pre-paid Insurance	4,800	2,400
Furniture	72,000	96,000

- (3) One half of the Entrance fees are to be capitalized.
 (4) Depreciate furniture 10% p.a. and Sports equipments at 20% p.a.

OR

3. (A) (1) What is a non-trading concern ? How the final accounts of non-trading concern differ from those of a trading concerns ?

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- (2) Write short note on : (Any **Two**)

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- (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 :

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- (1) Receipt and payment account is like _____ account and an Income and Expenditure account is like _____ account.
 (2) Subscription received for life membership is a _____ income.
 (capital / Revenue)
 (3) Legal charges incurred on purchasing a building are _____ expenses.