

(Please write your Exam Roll No.)

Exam Roll No. _____

END TERM EXAMINATION

FIRST SEMESTER [BBA] NOVEMBER - DECEMBER 2017

Paper Code: BBA-105

Subject: Financial Accounting and Analysis

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 What is meant by the term, 'Generally Accepted Accounting Principles'? Explain the meaning and significance of the following:
- The going concern principle
 - Convention of consistency
 - Matching principle
 - Substance over form
- Q2 Define Accounting. State its functions. How does it differ from book - keeping?
- Q3 Enter the following hypothetical transaction in the appropriate type of the cash books and post the same to the relevant ledger account:

2008	
July 1	Started business with an investment of Rs. 9,000
July 2	Deposited in Bank of India, Rs. 7,000
July 4	Acquired a building by issuing a cheque of Rs. 5,000
July 10	Paid the bill of the furniture by cheque Rs. 1,000
July 15	Purchased Rs. 800 of merchandise by cheque.
July 18	Withdrew Rs. 100 from the bank
July 20	Sold merchandise for Rs. 1,200
July 22	Deposited Rs. 2,000 into the bank
July 25	Bought Rs. 1,000 merchandise
July 26	Sold Rs. 1,500 merchandise by crossed cheque
July 27	Paid Rs. 100 by cheque as the premium for insuring building against fire
July 28	Paid freight Rs. 50
July 30	Withdraw from bank for personal use Rs. 500
July 31	Cleared electricity bill Rs. 90
July 31	Paid to Mahesh Rs. 1,080 in full satisfaction by cheque. We owed to Mahesh Rs. 1,100 for goods purchased.
July 31	Received from Suresh a cheque for Rs. 1,480, in full satisfaction of the debt of Rs., 1,510.

- Q4 From the following trial balance of Shri Goyal, prepare trading and profit and loss account for the year ending 31 Dec, 20xx, and balance sheet as on that date after taking into consideration the adjustments given at the end of the trial balance:

Trial Balance
as on 31 December 20xx

Particulars	Dr. (Rs.)	Cr. (Rs.)
Sales	---	3,70,000
Purchases (adjusted)	3,49,600	
Wages		10,450
Capital Account		34,250
National Insurance	150	
Carriage Inwards	200	
Carriage Outwards	250	
Lighting		300
Rates and Insurance (including premium of Rs. 150 p.a. upto 30 June 2008)	200	

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BBA-105
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Stock at 32.12.2xxx	30,625	
Cash in Hand and at Bank	875	
Discount earned		300
Plant and Machinery	15,000	
Discount allowed	50	
Debtors and Creditors	3,000	10,000
Furniture		4,000
Dividend received		150

Adjustments:-

- (a) National insurance also includes employees contribution of Rs. 75. Wages are shown 'Net' after deducting national insurance contribution borne by the employees.
- (b) Owing to the nature of employment, some employees are housed in the building of the business. The rental value of such portion is assessed as Rs. 250 per annum. The benefit to the employee treated as wages and the rental as income for Shri Goyal.
- (c) Depreciate plant and machinery at 15 percent per annum and furniture at 10% p.a.
- (d) Goods worth Rs. 2,000 given by Shri Goyal to his son at cost.
- (e) The manager is entitled to a commission of 20% of the net profits after charging his commission. (Calculations may be made nearest to the multiple of a rupee).

Q5 Suresh bought a plant on 1.1.2003 for a sum of Rs. 1,00,000, having a useful life of 5 years. It is estimated that the plant will have a scrap value of Rs. 16,000 at the end of its useful life. Suresh decides to charge depreciation according to depreciation fund method. The depreciation fund investment are expected to earn interest at 5% p.a. Sinking fund table shows that Rs. 0.180975 if invested yearly at 5% p.a. produces Rs. 1 at the end of 5 years. The investments are sold at the end of 5th year for a sum of Rs. 65,000. A new plant is purchased for Rs. 1,20,000 on 1.1.2008. The scrap of the old plant realizes Rs. 17,000.

You are required to prepare the necessary accounts in the book of Suresh.

Q6 Write short notes on following:-
 (a) Human Resource Accounting
 (b) Social Responsibility Accounting
 (c) Inflation Accounting
 (d) Green Accounting
 (e) Price Level Accounting

Q7 What are the various methods of Redemption of Debentures? Describe their characteristics and explain their effects on accounts of a Company.

Q8 Gupta Ltd. issued 10,000 shares of Rs. 10 each at a discount of Rs. 1 per share (to be adjusted on allotment) payable as follows:

Rs. 2.50 on application

Rs. 4.00 on allotment

Rs. 2.50 on 1st Call

Subscription list was closed on 1.4.1996 by which date applications for 23,000 shares were received. Allotment was made as follows:

List 1 Applicants for 2,000 shares were allotted in full

List 2 Applicants for 6,000 shares were allotted 3,000 shares on pro-rata basis.

List 3 Applicants for 15,000 shares were allotted 5,000 shares on pro-rata basis.

Excess money received
 All the shareholders were
 was allotted 300 shares
 list 3). Both of these shares
 Their shares were duly
 paid.
 Pass the necessary journal

BBA-105
 P2/3

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