

(PLEASE WRITE YOUR EXAM ROLL NO.)

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1521401723

## END TERM EXAMINATION

FIRST SEMESTER (BBA) January-2024

Paper Code: BBA 105 Subject: Financial Accounting and Analysis  
BBA(B&I) 105  
BBA(CAM) 105

Time: 3 Hours

Maximum Marks: 60

Note: Attempt five questions in all including Q. no. 1 which is compulsory. All questions carry equal marks.

Q1. Answer any five from the following:

- (a) Difference between capital expenditure and revenue expenditure.
- (b) Give any three advantages of accounting.
- (c) What is intangible real account? Give two examples of such type of accounts.
- (d) Inflation accounting.
- (e) Difference between trade discount and cash discount.
- (f) What are reserves? Give any two characteristics of reserves.
- (g) What is a public company?
- (h) Convention of Conservatism.

Q2. Evaluate the significance of adhering to Generally Accepted Accounting Principles (GAAP) in financial reporting. Discuss how the application of GAAP ensures transparency and comparability in financial statements.

Q3. Journalise the following transactions for the year 2006 (Record the following transactions in a Journal)

1. 15<sup>th</sup> June : Ishan a sole proprietor Commenced business with a capital of 4,00,000.
2. 17<sup>th</sup> June : Bought Furniture for cash 40,000.
3. 17<sup>th</sup> June : Paid Rent to the shop owner Mr. Mohan 5,000.
4. 18<sup>th</sup> June : Paid cash into bank 1,50,000
5. 18<sup>th</sup> June : Bought Goods for cash 10,000 from M/s Shamir Jain & Co.,
6. 18<sup>th</sup> June : Bought Goods on credit from M/s Ramdas & Brothers for 10,000.
7. 19<sup>th</sup> June : Sold goods for cash 22,000 to Mr. Naryan Tiwari
8. 20<sup>th</sup> June : Bought Machinery from M/s Boolani Machinery and paid by cheque 75,000.
9. 21<sup>st</sup> June : Sold goods on credit to Mr. Natekar for 8,000
10. 21<sup>st</sup> June : Paid weekly wages to workers 6,000
11. 24<sup>th</sup> June : Paid M/s Ramdas and Brothers by cheque 5,000
12. 24<sup>th</sup> June : Received from Mr. Natekar 2,000
13. 24<sup>th</sup> June : Received commission from M/s Orion Traders for giving a trade lead 500.

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Q4 From the following Trial Balance of Amrit Raj as on 31<sup>st</sup> December, 2021:

Particulars	Debit Rs.	Credit Rs.
Capital		25,000
Building	30,000	
Furniture	2,640	
Scooter	4,000	
Returns inward and outward	2,300	
Stock on 1 <sup>st</sup> Jan 2021	8,000	1,600
Purchase and Sales	33,800	
Bad Debts	300	56,040
Carriage inward	700	
General Expenses	1,200	
Bad Debts Provision		700
Bank Loan		5,000
Interest on Bank Loan	300	
Commission		900
Insurance and Taxes	2,000	
Scooter Expenses	2,600	
Salaries	4,400	
Cash in Hand	2,000	
Debtors and Creditors	3,000	8,000
<b>Total</b>	<b>97,240</b>	<b>97,240</b>

You are required to prepare Trading, Profit & Loss Account and Balance Sheet for the year ending 31<sup>st</sup> December, 2021 taking into account the following adjustments:-

- Closing Stock on 31-12-2021 was valued at Rs. 4,340.
  - Commission include Rs. 300 being Commission received in advance.
  - Salaries have been paid for 11 months.
  - Bank Loan has been taken at 10% p.a. interest.
  - Depreciate building by 5% and Scooter by 15%.
  - Write of Rs. 200 as further bad debts and maintain bad debts provision at 5% on debtors.
- Q5 "In case of a long term asset, repair and maintenance expenses are expected to rise in later years than in earlier year". Elaborate this statement. Explain both the methods of depreciation in detail.
- Q6 Write short note on following:
- Human Resource Accounting
  - Green Accounting
  - Price Level Accounting
  - Social Responsibility Accounting

Q7 The Plant and Machinery Account of a Company had a debit balance of Rs. 1,47,390 on 1<sup>st</sup> January, 2017. The Company was incorporated in 2014 and had been following the practice of charging full year's depreciation every year on Diminishing balance system @15%. In 2017 it was, however, decided to change the method from Diminishing to Straight Line with retrospective effect from 2014 and to give effect of the change while preparing the Final Account for the year ended 31<sup>st</sup> December, 2017, the rate of depreciation remaining same as before.

In 2017, new machineries were purchased at a cost of Rs. 50,000. All the other machineries were acquired in 2014. Show the Plant and Machinery Account from 2014 to 2017.

Q8 Ajanta Ltd. was registered with 40,000 shares @ ₹ 10 each and 10% premium. It invited applications for 30,000 shares payable as follows:

₹ 3 on Application

₹ 2 on Allotment (including premium)

₹ 2 on First Call

₹ 4 on Second & Final Call

The applications were received for 70,000 shares and the allotment was made as follows:

To Applicants for 15,000 shares: Full

To Applicants for 40,000 shares: 15,000

To Applicants for 15,000 shares: Nil

Excess money received on applications was utilized towards allotment and subsequent calls. Pass necessary journal entries assuming all the money was duly received.

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