

END TERM EXAMINATION**FIRST SEMESTER [BBA] DECEMBER 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. Internal choice is indicated.**Q1 Attempt **Any Four** of the following questions:**(4x5=20)**

- a) "Revenue is recognized when a sales transaction is made or when services are rendered". State three exceptions to this general rule.
- b) Goods costing Rs. 10,000 damaged by fire and Insurance Company accepted claim of 80% of loss and Cheque is received from Insurance Company. Pass necessary journal entries.
- c) Show the relevant extracts of Profit & Loss A/c and Balance Sheet from the Trial Balance of Pioneer Sports:

Trial balance (Extract) as at 31st March, 2024

Head of Accounts	L.F.	Dr. (Rs.)	Cr. (Rs.)
Sundry Debtors		1,00,000	
Bad Debts		2,500	
Provision for Doubtful Debts			8,000

Adjustment: Provide for Doubtful Debts @ 5 % on sundry debtors.

- d) 'Capital is a Liability for the business.' Explain this statement with the principle applied.
- e) Differentiate between Right shares and Bonus shares.
- f) General traders Ltd. purchased a running business of Pawan Retail Ltd. for Rs 6,00,000 payable 10% by cheque and balance by issue of fully paid equity shares of Rs 100 each at a premium of 20%. The assets & liabilities were taken over were as follows:

Building	Rs 2,60,000
Plant & Machinery	Rs 1,00,000
Stock	Rs 2,00,00
Trade receivables	Rs 1,00,000
Trade payables	Rs 80,000

Pass the necessary journal entries in the books of General Trades Ltd.

- g) Differentiate between Provisions and Reserves.
- h) Explain the issues and challenges of Green Accounting.

Q2 What do you mean by accounting? Who are the parties interested in accounting information. **(10)****OR**Q3 Explain IFRS. What are the inclusions of Financial Statements under IFRS? What is the difference between Indian Accounting Standard (Ind-AS) and Accounting Standards? **(10)**Q4 Prepare Trading and Profit & Loss Account for the year ended 31st March, 2024 and Balance Sheet as at that date from the following Trial Balance: **(10)****P.T.O.**

Heads of Accounts	L.F.	Dr. (Rs.)	Cr. (Rs.)
Capital		...	1,00,000
Cash		15,000	...
Bank Loan		...	20,000
Purchases		1,20,000	...
Sales		...	1,50,000
Sales Return		10,000	...
Purchases Return		...	20,000
Salary Expenses		22,000	...
Insurance		5,000	...
Bad Debts		5,000	...
Provision for Doubtful Debts		...	7,000
Debtors		82,000	...
Creditors		...	45,000
Commission		...	5,000
Deposits		40,000	...
Opening Stock		30,000	...
Drawings		14,000	...
Furniture		6,000	...
Input CGST		10,000	...
Input SGST		10,000	...
Output CGST		...	8,000
Output SGST		...	8,000
Output IGST		...	6,000
Total		3,69,000	3,69,000

Adjustments:

- Salaries of Rs.3000 are outstanding but Insurance Rs.500 is prepaid.
- Commission Rs.1,000 received in advance for the next year.
- Interest Rs.2,100 is to be received on Deposits and Interest on Bank Loan Rs.3,000 is to be paid.
- Provision for doubtful debts is to be maintained at Rs.10,000
- Depreciate furniture by 10%.
- Closing Stock (at cost) as on 31st March, 2024 was Rs.45,000 and its net Realisable Value (Market Value) was Rs.50,000
- A fire occurred on 1st April, 2024 destroying goods costing Rs.10,000. The stock was fully insured (ignore GST).

OR

Q5 Prepare Two column Cash Book from the following Transactions of Mani, Kochi:

2024	
March 1	Cash in Hand Rs. 15,000; Cash at Bank Rs.5,000
March 3	Purchased goods for cash Rs. 6,720; received cash discount of Rs.220
March 5	Deposited in the bank Rs.5,000
March 7	Cash Sales Rs.10,000
March 10	Cash withdrawn from Bank Rs.2,000
March 15	Received 3 months post dated cheque of Rs.20,000 from Raj & discounted from bank paying discounting charges Rs.750
March 18	Received Cheque from Deepak for Rs.5,000 (not banked), allowed discount Rs.20
March 20	Cheque received from Deepak deposited in the bank
March 22	Paid to Chandra by Cheque Rs.2,50; received discount Rs.100
March 25	Withdrew from bank for personal use Rs.1,000
March 28	Sold goods to Ashok for Rs.10,000
March 30	Purchased goods from Chander for Rs.20,000
March 31	Received cheque from Ashok Rs.5,000 and deposited in bank, allowed cash discount Rs.200

Q6 Explain the term Inflation Accounting. State its importance and need.

OR

P.T.O.

Q7 Explain the significance of Depreciation? What factors should be considered for determining the amount of depreciation? (10)

Q8 Lotus Ltd invited applications for issuing 80,000 equity shares of Rs 10 each at a premium of 4 per share. The amount was payable as follows:

On application Rs 5 per share, and

On allotment Rs 9 per share (included premium)

Applications were received for 1,40,000 shares and allotment was made to all applicants on pro rata basis . Money overpaid on applications was adjusted towards sums due on allotment. Rajeev, who had applied for 1400 shares, failed to pay the allotment money. His shares were forfeited. Later on, these forfeited shares were reissued at Rs9 per share as fully paid-up.

Pass necessary Journal entries for the above transactions in the books of Lotus Ltd. (10)

OR

Q9 Differentiate between the following: (10)

- a) Capital Reserve and Reserve Capital
- b) Calls in arrears and Calls in advance
