



Institute of Management
JK Lakshmipat University
Jaipur



END TERM EXAMINATION 2015

BBA Sem-I
MM: 50 Marks

Course: Financial Accounting
Time: 3 Hours
Subject code: BBA102

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. Distinguish between any (2).

- Capital expenditure and Revenue Expenditure
- Trial balance and Balance sheet
- Event and Transaction

Q2. Enter the following transactions in the cash book with cash, discount and bank columns.(10 marks).

2015

- July 1 Balance of cash in hand ₹ 1400. Overdraft at bank ₹ 5000.
July 2 Invested further capital of ₹ 10,000 out of which ₹ 6000 deposited in the bank.
July 5 Sold goods for cash ₹ 3000.
July 6 collected from debtor of last year ₹ 8000; Discount allowed to them ₹ 200.
July 10 Purchased goods for cash ₹ 5500.
July 11 Paid Ram Vilas, our creditor ₹ 2500 ; discount allowed ₹65.
July 13 Commission paid to our agent ₹530.
July 14 office furniture purchased from keshav ₹200.
July 14 Rent paid ₹ 50.
July 14 Electricity charges paid ₹10.
July 16 Drew cheque for personal use ₹700.
July 17 Cash Sales ₹ 2500.
July 18 Collection from Atal ₹ 4000 ; deposited in the bank next day.
July 19 Drew from bank for office use ₹500.
July22 Drew cheque for petty cash ₹150.
July24 Dividend received by cheque ₹50 ; deposited in the bank on 28th.
July 25 Commission received by cheque ₹ 230 ; deposited in the bank on 28th.
July29 Drew from the bank for salary of the office staff ₹1500.
July29 paid salary of the manager by cheque ₹500.
July30 Deposited Cash in the bank ₹10,000.

Q3. On 31st December, 2013 the cash book of Miss. Aditi showed an overdraft of ₹18,000 with Bank of India. This Balance did not agree with the balance as shown by the bank pass book and you find that Aditi had paid into bank on 26th December, four cheques for ₹ 10,100; ₹ 12,000; ₹6000; and ₹8000. Of these the cheques for ₹6000 was credited by the bank in January 2014. Aditi had issued on 24th December cheques for ₹ 35000. Out of these cheques for ₹ 27000 had been presented and paid while one cheque for ₹1000 was returned for conversion into bearer cheque. This was done, the amount is included in the figure of ₹ 35000. The others were not yet presented.

You also find that on 31st December 2014 the bank had debited Aditi's account with ₹ 500 for interest and ₹ 20 for charges but Aditi has not recorded these amounts in the books. Total of a page on the debit side of the cash book ₹ 9670 was carried to the next page as ₹ 6790.

It was also found that the total of one page on the payment side of the cash book was ₹ 5670 but it was written on the next page as ₹ 7650.

You are required to prepare a bank reconciliation statement as at 31st December, 2014. (10 marks).

Q4. Define Accounting Standard and discuss the procedure of issuing accounting standards in India. Name any five accounting standards you are aware of and discuss one of them in detail. (10 marks).

Q5. Following is the trail balance of Mr. Mukawat for the year ending at 31st March, 2015.

Prepare trading and profit and loss account and balance sheet. (10 Marks)

Particulars	₹	₹
Capital		1,86,460
Plant & Machinery	1,10,000	
Fixtures and fittings	3,440	
Fuel & Power of factory	1,084	
Salaries of office	7,490	
Electricity expenses of factory	784	
Office expenses	1,850	
Carriage on sales	1,920	
Cash at bank	4,490	
Cash in hand	136	
Sundry debtors	95,600	
Purchases	1,66,580	
Factory wages	19,830	
Rent and rates	3,530	
Traveling expenses	5,556	
Carriage on purchases	1,794	
Discount	844	
Drawings	13,640	
Opening stock	43,450	
Manufacturing expenses	5,360	
Sales		2,52,354
Sales return	14,844	
Sundry creditors		45,360
Bill payable		12,844
Purchase return		6,344
Insurance	1,140	
	5,03,362	5,03,362

Adjustments:-

- Closing stock ₹ 33,160.
- Depreciate plant and machinery at 5%. Fixture and fittings at 10%.
- Rent and rates ₹150 Salary ₹1,600 and wages ₹ 700 are due and outstanding.
- Unexpired insurance is Rs 140.
- Create provision for doubtful debt @10%.

Section B

Q6. (a) X Ltd Purchased a machine for ₹ 60,000 on 1st January 2011. Depreciation is provided @10% p.a. using diminishing balance method.(10Marks)

Prepare the machinery account for the year 2013 in each of the following alternative cases:

1. If this machine is sold on 1st July 2013 for ₹ 28,000.
2. If a new machine costing ₹ 60,000 is purchased on 1st July 2013 after surrendering the old one and paying ₹ 35,000 in cash.
3. If this machine was destroyed by fire on 1st July 2013 and its setup was sold for ₹ 600, and the insurance company paid ₹ 28,000 only.

(b) Define Reserve & Provision, what is the rationale behind creating reserve & Provision, distinguish between reserve and provision. Also give a brief about various types of reserve created by the firms.

(10 marks).

