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I SEMESTER BBA EXAMINATION-MARCH / APRIL 2022

SCHEME: SEMESTER- CBCS

018

BBA

FINANCIAL ACCOUNTING - I

Time:03 Hours

Max Marks:80

PART - A

Answer any two of the following. 15 Marks each.

2x15=30

1. Define Accounting. Explain accounting concepts & conventions.
2. The following Trial balance relates to Nanda traders as on 31.3.2021

Particulars	Debit	Credit
Drawings & Capital	10,500	1,00,000
Debtors & Creditors	62,000	69,600
Cash in hand	3,000	-
Cash at bank	18,000	-
Bills Receivable & payable	9,500	28,000
Provision for doubtful debts	-	4,500
Furniture	9,000	-
Plant & Machinery	30,000	-
Opening Stock	90,000	-
Purchase & Sales	2,50,000	3,60,000
Returns	3,000	5,000
Discount	1,000	4,500
Commission received	-	2,000
Wages	42,000	-
Carriage inwards	1,000	-
Carriage outwards	2,000	-
Bad debts	4,000	-
Salaries	12,000	-
Rent & Taxes	6,000	-
Insurances	800	-
Travelling expenses	2,000	-
Repairs	300	-
Computers	17,500	-
	5,73,600	5,73,600

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Adjustments:

1. Stock on 31.03.2020 was valued at ₹1,20,000.
 2. Create provision for doubtful debts at 5% on debtors.
 3. Depreciate furniture by 10%, machinery 15% & computers 20%.
 4. Goods costing ₹ 15,000 were destroyed by fire & insurance company agreed to pay the claim for ₹ 12,000.
 5. Wages outstanding ₹ 500 & salary outstanding ₹ 2,000.
- Prepare final accounts for the year ending 31.3.2021.
3. Enter the following transactions in a three column Cash Book & balance the Cash Book as on 31.12.2021.

- March 1 Balance of cash on hand ₹ 40,000 & bank balance ₹ 50,000.
- 5 Sold goods for cash ₹ 30,000.
- 10 Purchased goods for cash ₹ 20,000 & by cheque ₹ 30,000
- 11 Paid Srinivas ₹ 25,000 by cheque & discount received ₹ 1,000.
- 12 Paid commission to an agent ₹ 5,000.
- 15 Purchased office furniture by cash ₹ 20,000.
- 16 Paid rent ₹ 1000.
- 17 Drew a cheque for personal use ₹ 10,000
- 18 Cash sales ₹ 50,000.
- 20 Collected from Punith ₹ 40,000 in cash & deposited into bank on the same day.
- 28 Paid office salaries by cheque ₹ 20,000.
- 29 Deposited cash into bank ₹ 70,000.

4. On 1st August 2021 Vishnu Traders of Mangalore consigned 100 cases of toys to Shiva Traders of Mysuru. The cost of consignment amounted ₹ 15,000, but the goods were charged at invoice price so as to show a profit of 25% on cost. The consignor paid ₹ 1,200 towards freight & insurance. An acceptance for ₹ 6,000 was received from the consignee. The consignee paid ₹ 2,000 towards unloading & ₹ 400 towards carriage. 10 cases were lost in transit & ₹ 1,000 was received from the insurance company by the consignor in full settlement of the claims. The consignee sold 80 cases for Rs. 24,000. The consignee is entitled to a commission of 5% on sale proceeds. The consignee enclosed a bank draft for the balance due. Prepare necessary ledger account in the books of Vishnu Traders.

PART - B

Answer any three of the following. 10 Marks each.

3x10=30

5. What do you mean by depreciation? Explain the causes of depreciation.
6. What is consignment? Distinguish between sales & consignment.
7. Journalise the following transactions in the books of Lakshmi

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January 2021

- 1 Started business with cash ₹ 40,000 & furniture ₹ 20,000
 - 2 Purchased goods for cash ₹ 20,000 & by cheque ₹ 30,000
 - 3 Sold goods for cash ₹ 30,000
 - 5 Paid commission to an agent ₹ 5,000
 - 10 Withdrew ₹ 10,000 for personal use.
 - 12 Bought goods from Shruthi on account ₹ 10,000
 - 15 Sold goods to Dhanalakshmi ₹ 3,000
 - 20 Paid Shruthi ₹ 9,950 in full settlement of her account.
 - 21 Received cheque from Dhanalakshmi ₹ 2,900 in full settlement of her account.
 29. Deposited cash into bank ₹ 50,000.
8. A company purchased a machinery on 1.6.2013 for ₹ 1,00,000. Company purchased another machinery on 1.1.2014 for Rs. 2,00,000. It further purchased a new machinery on 1.10.2015 for ₹ 4,00,000. On 1.10.2016 the company sold one half of the machinery which was purchased on 1.10.2015 for ₹ 3,80,000. The company writes off depreciation at 15% p.a under written down value method. Prepare machinery account for 4 years.
9. On 1.3.2021 Ganesh drew a 3 months bill on Mahesh for ₹ 25,000. The bill was accepted & on 1.4.2021 Ganesh discounted the bill with his banker at 5% p.a. On the due date the bill was dishonoured & a fresh bill of ₹ 25,500 was drawn & accepted.
- Pass journal entries in the books of Ganesh & Mahesh.

PART - C

Answer any four of the following. 5 Marks each.

4x5=20

10. What is contra entry? Give two examples.
11. State the features of bills of exchange.
12. Differentiate between debit note and credit note.
13. Write a short note on IFRS.
14. Classify the following into personal, Real & nominal account.
 - a) Capital account
 - b) Drawings account
 - c) Advertisement account
 - d) State Bank of India account.
 - e) Purchases account
15. What are the differences between journal and ledger?

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