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47 (2) BBA-HC-2016/2-4

2023

FINANCIAL ACCOUNTING

Paper : BBA-HC-2016/2-4

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Fill in the blanks with suitable word : 1×5=5
 - (a) Accounting records only the transactions of _____ nature.
 - (b) Assets = Liabilities + _____.
 - (c) Cash book (cash column) cannot show _____ balance.
 - (d) Trial balance is a part of the _____.
 - (e) Receipts and Payments account generally starts with _____.
2. Answer the following as directed : 1×5=5
 - (a) What is book-keeping?
 - (b) Purchase Book records credit purchase of asset. (State whether the statement is True or False)

Contd.

- (c) What do you mean by Trial Balance?
- (d) Errors of omission in original books do not affect the agreement of trial balance. (State whether the statement is True **or** False)
- (e) What is an Income and Expenditure Account?

3. Answer the following questions : $2 \times 5 = 10$

- (a) What is 'GAAP'?
- (b) What do you mean by accounting principles?
- (c) Mention *two* features of Journal.
- (d) Give *two* functions of Trial Balance.
- (e) Mention *two* distinctions between Journal and Ledger.

4. Answer **any four** of the following questions : $5 \times 4 = 20$

- (a) Briefly explain the qualitative characteristics of Accounting Information.
- (b) Write *five* difference between 'Receipt and Payment Account' and 'Income and Expenditure Account'.
- (c) What do you mean by Financial Accounting? Write *any three* objectives of Financial Accounting. $2 + 3 = 5$

(d) From the following information of Das Brothers. Prepare a Trading Account for the year ended 31st March, 2022 :

	(₹)
Stock on 1.04.2021	9,000
Purchases	30,230
Sales Returns	86
Purchase Return	530
Sales	67,500
Wages	6,000
Carriage Inward	400
Wages Outstanding	50
Stock on 31.03.2022	2,550

(e) The following errors were located during the accounting year before the preparation of trial balance :

- (i) ₹ 1,000 paid for proprietor's medical expenses were debited to 'General Expenses Account'.
- (ii) ₹ 500 paid in cash for a typewriter was charged to office expenses.
- (iii) ₹ 200 received from Madhu has been wrongly credited to Megha.
- (iv) Sales of ₹ 1,500 to Sayan were recorded as ₹ 150 in the Sales Book.

- (v) An amount of ₹ 3,000 spend on annual white-washing was debited to Building A/c.

Pass Journal Entries to rectify the above errors.

- (f) From the following transactions, prepare Purchases Book of M/s Saraighat Stores, Guwahti, Assam, a registered dealer under the AGST Act who deals in furniture :

2022

- Jan, 2 Bought on credit from M/s Geeta & Co. Guwahati 100 nos. of chair @ ₹ 800 each. Trade Discount 10%.
- Jan, 5 Bought from M/s Shyam, Kolkata, one typewriter at ₹ 30,000 on credit.
- Jan, 10 Bought from M/s Gupta, Kolkata, 50 No. of Tables on credit @ ₹ 1,200 each. Trade Discount 5%.
- Jan, 20 Bought chairs from Das on cash at ₹ 5,000.

5. Answer **any five** of the following questions :
8×5=40

- (a) Mention about the parties interested in Accounting Information.
- (b) Write **any four** Special Purpose Books.

(c) Write short notes on : $2 \times 4 = 8$

- (i) Accounting Period concept
- (ii) Going Concern concept
- (iii) Money Measurement concept
- (iv) Accrual concept

(d) What do you mean by Corporate Annual Report? Mention its contents.

$3 + 5 = 8$

(e) Enter the following transactions in a Double Column Cash Book with Cash and Bank Columns :

2022		(₹)
Jan, 1	Balance of cash in hand	15,000
	Balance at Bank	36,000
Jan, 3	Cash purchase of goods and payment made by cheque	20,000
Jan, 5	Cash deposited into Bank	2,000
Jan, 7	Withdrawn from Bank for office use	5,000
Jan, 8	Cash Sales to Raghav	500
Jan, 10	Bank Charges	300
Jan, 12	Cheque received from Suresh and deposited into the bank	3,000
Jan, 15	Paid salary to staff by cheque	2,000
Jan, 16	Sold goods to Karan for credit	200
Jan, 20	Purchase furniture in cash	4,500

(f) From the following items of Receipt and Payment A/c of North Guwahati Club, prepare an Income and Expenditure Account for the year ended 31.3.2022 :

	(₹)
Salaries Paid	60,000
Lighting expenses	6,000
Stationery (including ₹ 800 for the previous year)	8,000
Subscriptions received (including ₹ 1,000 received in advance and ₹ 750 for the previous year)	48,000
Net proceeds of Refreshment Room	32,000
Miscellaneous Expenses	5,000
Interest on loan for 3 months	5,000
Rent and Rates (including ₹ 500 for prepaid)	6,000
Lockers Rent Received	5,500

Additional Information :

- (i) On 31.3.22 subscription in arrear was ₹ 6,500
- (ii) Interest on loan was outstanding for 9 months.

(g) Following is the Trial Balance of Mr. Barua as on 31.3.22 :

Debit	(₹)	Credit	(₹)
Furniture	640	Capital	12,500
Plant & Machinery	6,250	Provision for Bad Debts	200
Building	7,500	Sundry Creditors	2,500
Bad Debts	125	Sales	15,450
Sundry Debtors	3,800	Bank Loan	2,850
Stock on 1.04.21	3,460	Purchase Return	125
Purchases	5,475	Commission	375
Sales Return	200		
Advertisement	450		
Interest	118		
Taxes & Insurance	1,250		
Cash in hand	650		
General Expenses	782		
Salaries	3,300		
	<u>34,000</u>		<u>34,000</u>

Adjustments :

- (i) Stock on 31.3.22 was Rs. 5,750
- (ii) Furniture to be depreciated at @ 10% p.a.
- (iii) Plant & Machinery to be depreciated @ 20% p.a.

Prepare Trading Account, Profit & Loss Account for the year ended 31.3.2022 and Balance Sheet as on that date.