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**Roll No. \_\_\_\_\_\_\_\_\_\_\_\_**

**BBA-1211**

**BBA (I Semester) Examination, Dec. 2018**

**BUSINESS ADMINISTRATION (BACK PAPER)**

**FINANCIAL ACCOUNTING**

*Time Allowed: Three Hours] [Maximum Marks: 70*

**Note:** Answer **all** questions.

**Q. 1.** Attempt any **six** of the following. **5\*6=30**

1. Discuss the golden rules of Accounting with examples.
2. What do you understand by financial accounting? Highlight the importance of accounting in an organization.
3. Explain “Accounting Period” concept.
4. Identify the key characteristics of accounting.
5. Accounting is both a Science and an Art. Examine the statement.
6. What is Profit and loss Account? Give its basic format with some items.
7. Explain each one of the following:

Assets, Liability, Income, Expenses.

1. Journalize the following transaction:
2. Commission paid Rs.1000.
3. Commission received Rs.1000.
4. Goods purchased from Veeru worth Rs. 5000.
5. Goods withdrawn by owner worth Rs.1000.
6. Rs. 4500 paid to Veeru in full settlement.

**Q. 2.** Journalize the following transactions, make ledger on the basis of these journals and formulate trial balance. **10**

* 1. CAT Ltd. started business with capital Rs. 50000.
  2. Goods sold to Ravish Rs. 8000.
  3. Goods purchased worth Rs. 15000.
  4. Plant purchased from Ajay & Sons., Rs. 8000.
  5. Interest received Rs. 100.
  6. Misc. expenses paid Rs. 500.
  7. Wages paid Rs. 200.
  8. Cash deposited into bank Rs.7500.
  9. Rs. 7900 paid to Ajay & Sons in full settlement through bank.
  10. Commission received Rs. 2000.

**OR**

What do you understand by trading account? Give its basic format with some items.

**Q. 3.** Do you think that a balance sheet is snap shot of a company? Discuss. **10**

**OR**

From the following balances draw up a Trading and Profit & Loss Account & Balance Sheet.

|  |  |  |
| --- | --- | --- |
| Particulars | Amount | Amount |
| Capital  Bank Overdraft  Machinery  Cash in hand  Furniture  Opening stock  Bills payable  Salaries  Wages  Commission  Creditors  Debtors  Bills receivable  Purchases  Sales  Return from customer  Return from creditors  Trade expenses  Discount (Cr)  Rent | 13,400  1,000  5,500  45,000  9,000  4,000  5,500  63,000  5,000  50,000  1,000  1,500  2,200 | 20,000  5,000  7,000  40,000  1,29,000  1,100  4,000 |
|  | **206100** | **206100** |

**Adjustment:** The closing stock is 52,000

**Q. 4.** Bansal Ltd. invited applications for 1000 shares of Rs. 100 each at par, payable as follows: **10**

On application Rs. 30, on allotment Rs. 30, on 1st and final call Rs. 40.

The applications were received for 950 shares and all of these were accepted. All money due were received. Pass the entries in the cash book and journal of the company. Also show how these transactions will be reflected in the company`s balance sheet.

**OR**

Write short notes on any three:

1. Authorized capital
2. Subscribed capital
3. Issued capital
4. Paid-up capital

**Q.5.** What do you understand by Bank reconciliation statement? Also discuss its importance. **10**

**OR**

Explain the need & significance of depreciation. Give a suitable example.