

Roll No.

Total No. of Pages : 03

Total No. of Questions : 07

**BBA (2009 to 2011 Batch) (Sem.-2)**

**FINANCIAL ACCOUNTING**

Subject Code : BB-201

Paper ID : [C0207]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and a student has to attempt any FOUR questions.

**SECTION - A**

**Q1) Write notes on following :**

- a) Matching concept in accounting
- b) Representative Personal account
- c) Drawings
- d) Capital Expenditure
- e) Objective of preparing balance sheet
- f) Limitation of accounting
- g) Any two errors, which remain undetected by Trial Balance.
- h) Contingent liabilities
- i) Current assets
- j) Treatment of trade discount

## SECTION - B

- Q2) What is Double Entry System? What are its advantages and disadvantages?
- Q3) Define a ledger. Why is it known as principle book of accounting? Also give ruling.
- Q4) What do you mean by Trail Balance? Explain the main objectives, limitations and methods of preparing Trail Balance.
- Q5) From the following data prepare a Bank Reconciliation Statement showing the balance as per pass book on 31<sup>st</sup> March 1995. The following cheques were paid into bank in March 1995 but were credited by the bank in April, 1995 :

Manohar Rs. 700, Kulwant Rs. 800, Rajinder Rs. 600.

The following cheques were issued by the firm in March, 1995 but were not presented for payment in April, 1995.

Sumit Rs. 500, Bharat Rs. 450.

The following charges were made by the bank which was not recorded in cash book :  
Incidental charges for the half year ended 31<sup>st</sup> March 1995 Rs, 20.

Collection charges for outstation cheques Rs. 15.

The following payments made by the bank direct as per standing instructions were not entered in the cash book :

Insurance premium Rs. 350, subscription for commerce journal Rs. 75.

A cheques for Rs. 500, which was received from a customer was entered in bank column of cash book in March, 1995 but was omitted to be banked in March, 1995. A bill for Rs. 1000 was retired by the bank under rebate of Rs. 20 but the full amount of the bill was credited in cash column of the cash book.

The bank balance ~~March 1995~~ <sup>31<sup>st</sup> March 1995</sup> cash book was Rs. 15800 on 31

- Q6) On 1<sup>st</sup> Jan, 2002 machinery was purchased by X for Rs. 50,000. On 1<sup>st</sup> July, 2003, additions were made to the extent of Rs. 10,000. On 1<sup>st</sup> April, 2004 further additions were made to the extent of Rs. 6,400.

On 30<sup>th</sup> June, 2005 machinery, original value of which was Rs. 50,000 on 1<sup>st</sup> Jan, 2002 was sold for Rs. 35,000

Depreciation was charged @ 10% on original cost.

Show machinery Account for the year from 2002 to 2005 in the books X. He closed his books on 31<sup>st</sup> December