

18 FEB 2021

Financial accounting
BBA SEM 1
Subject Code: 20227

Time: 1.30 Hours**Total Marks 42****Note: Attempt any 3 Questions. All questions carry equal marks.**

- 1(A) Explain various Accounting concepts and conventions in detail. 14
 OR
- 1(A) 1. Write short note on Users of Accounting 7
 2. Explain the rules of debit and credit and types of accounts with example 7
- 2(A) Differentiate between Reserves and provisions 14
 OR
- 2(A) Write a note on:
 1. Contingent Liability 7
 2. Capital Expenditure 7
- 3(A) The Rajhans Sports club presents the following Trial balance on 31-3-2020, prepare Income and Expenditure account and Balance sheet as on the same date: 14

Debit Balances	Amount	Credit Balances	Amount
Office staff salary	10,000	Income from Entertainment programme	15,000
Postage- Telegram exp.	1,200	Interest on Investments	2,240
Honorarium to secretary	12,000	Subscription	80,000
Sundry expenses	3,200	Sale of old newspapers	400
Repairs	800	Entrance fees	3,600
Subscription for newspaper	2,700	Donation	15,600
Free ship given from education fund	4,000	Education fund	30,000
Education fund investments	30,000	Income from Education fund investment	2,800
Canteen's expenses	18,500	Canteen's income	26,000
Expenses for entertainment programme	9,100	Sundry receipts	1,860
Purchase of sports equipments(1/1/2018)	11,600	Capital fund	1,35,000
Purchase of furniture(1/10/2017)	5,000		
Sports equipment	55,000		
Investments	22,400		
Fixed deposit in bank	20,000		
Building	90,000		
Furniture	12,000		
Cash balance	5,000		
	3,12,500		3,12,500

Additional Information:

1. Honorarium to Secretary outstanding Rs.3000
2. Subscription due Rs.5000 and subscription received in advance Rs.6000
3. Half of the entrance fees is capitalized.
4. Interest due on educational fund investments is rs.200
5. Provide depreciation at 10% on sports equipments and 6% on Furniture per annum

OR

- 3(A) 1. Explain Concept of different funds and their accounting treatment 7
2. How will you prepare an Income and expenditure account from Receipts and payments account 7
- 4(A) The following is the trial balance of Shri Hirva Somani as on 31st March 2020 14

Names of the account	Debit	Credit
Cash on hand	540	
Cash at bank	10,630	
Deposits in bank	2,000	
Interest on bank deposits		200
Purchases	40,675	
Sales		98,580
Goods return(credit)	680	
Goods return (debit)		500
Wages and freight	10,480	
Coal and power	4,730	
Bills payable		900
Bills receivable	1,000	
Packing expenses	3,200	
Carriage inward	2,040	
10% Mortgage loan		10,000
Interest on mortgage loan	400	
Stock of goods (1 st April 2019)	5,760	
Building	30,000	
Land	9,000	
Machines	20,000	
Tools	7,500	
Salary (up to 28-2-2020)	14,300	
Printing and stationary	900	
Postage and telegram	400	
Purchase expenses	800	
Trade expenses	200	
Office expenses	900	
Commission received		100
Discount		400
Insurance	600	
Drawings	15,245	
Capital		81,000
Sundry Debtors and Creditors	15,500	5,800
	1,97,480	1,97,480

Prepare Trading, Profit & loss a/c and Balance sheet taking into account the following adjustments.

1. The cost of closing stock Rs.6, 800 but its market price is Rs.7, 000.
2. Depreciate Machinery at 10%, Furniture by 10% and Tools by 20%.
3. Write off Rs.500 as bad debts from debtors.
4. Commission due but not received rs.194
5. Insurance premium of rs.170 is paid on a policy up to 30-9-2016
6. Rs.2000 spent on construction of bicycle shed for employees is included in wages
7. Maintain bad debts reserve at 5% on debtors and create reserve for discount on debtors and creditors at 2%.
8. Goods worth Rs.200 are distributed free as samples and goods of Rs.100 given away as charity,
9. On 1-10-2019 she brought her personal furniture worth Rs.5000 in the business which is not recorded in the books of account.

OR

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| 4(A) | 1. Explain how voucher entries are made in tally? | 7 |
| | 2. Write a note on features of Tally | 7 |