

(20113)

Roll No.

B. B. A. I Sem.

NP-3042

B. B. A. Examination, Dec. 2012

Financial Accounting

(BBA-105)

(Old Course-I)

Time : Three Hours]

[Maximum Marks : 75

Note : Attempt all the Sections as per instructions.

Section-A

(Very Short Answer Questions)

Attempt all the *five* questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words. $3 \times 5 = 15$

1. What do you understand by double entry system ?
2. What is bank reconciliation statement ?
3. What is meant by rectification of errors ?
4. Define depreciation.
5. What do you understand by three column cash book ?

(2)

Section-B

(Short Answer Questions)

Attempt any *two* questions out of the following three questions. Each question carries $7\frac{1}{2}$ marks. Short answer is required not exceeding 200 words. $7\frac{1}{2} \times 2 = 15$

6. What do you mean by trading, profit and loss and balance sheet ?
7. Difference between an income and expenditure account and receipts and payment account.
8. A firm purchases a plant for a sum of Rs. 10,000 on 1st January, 1995. Installation charges are Rs. 2,000. Plant is estimated to have a scrap value of Rs. 1,000 at the end of its useful life of five years. You are required to prepare the 'Plant Account' for five years charging depreciation according to straight line method.

Section-C

(Detailed Answer Questions)

Attempt any *three* questions out of the following five questions. Each questions carries 15 marks. Answer is required in detail. $15 \times 3 = 45$

9. What are the functions of Accounting ? How does 'book-keeping' differ from 'accounting' ?

(3)

10. What is a trial balance ? Describe the errors, which are not disclosed by trial balance.

11. The following particular relates to the Ganges Literary Society for the year ended 31st Dec. 1999 : Subscriptions received Rs. 1,100, Interest received on investment Rs. 380, Net proceeds received from lectures and concerts Rs. 2,320, Rent paid for the use of Hall Rs. 210, Petty cash payments Rs. 100, Advertising paid Rs. 210, Printing expenses paid Rs. 125.

The society hold ten 4% debentures of Rs. 1,000 each in the Gaya Prasad Library Ltd. As on 31st December 1999, the society owed Rs. 80 for rent of Hall and Rs. 95 for printing.

Prepare society's income and expenditure account for the year ended 31st December 1999 and a balance sheet as on this date.

12. Define goodwill. How does it arise ? Explain the treatment of goodwill in partnership accounts on the admission of a new partner :

- (a) When he bring cash for his share of goodwill and cash is retained in business
- (b) When he does not bring cash for his share of goodwill.

Illustrate your answer by means of Journal entries.

(4)

13. P, Q & R are partner in firm. The balance sheet of the firm as on 31st Dec. 1984 is as follows :

Liabilities	Rs.	Assets	Rs.
Sundry creditors	16,000	Cash	2,000
Reserve fund	3,000	Machinery	10,000
Profit & Loss	1,500	Furniture	4,000
Capital A/c :		Sundry debtors	10,000
P	4,000	R's capital A/c	1,500
Q	3,000		
	27,500		27,500

R is insolvent and the partners can realize only Rs. 600 from his property. It was decided to dissolve firm. The assets of firm realized - Machinery Rs. 7,500, Furniture Rs. 1,600, Debtors Rs. 6,000. Creditors were paid Rs. 15,200 in full payment. Applying Garner vs. Murray rule, you are required to prepare :

- (i) Pass journal entries and show ledgers accounts when the partner's capital are fixed.
- (ii) Show ledger account when the partner's capital are not fixed.