

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2021-22 Examination

Semester: 1
Subject Code: 06101101
Subject Name: Financial Accounting

Date: 11-02-2022
Time: 10:30 am to 01:00 pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. New question on new page.

Q.1 Do as Directed. (05)

1. Identify the current assets from the following:
 - a) Good will
 - b) Furniture
 - c) Investments
 - d) Bills Receivables
2. Mr. Mohan Started Business with Rs. 50,000 Cash. He purchased goods on credit for Rs. 5,000. His total assets now will be _____?
 - a) Rs. 50,000
 - b) Rs. 55,000
 - c) Rs. 45,000
 - d) Rs. 5,000
- 3 Valuing the closing stock or market price whichever is lower is on the basis of _____.
 - a) Consistency concept
 - b) Matching Concept
 - c) Materiality Concept
 - d) Conservatism Concept
- 4 In non trading organizations assets and liabilities are known as _____.
 - a) Donation Fund
 - b) Capital
 - c) Capital Fund
 - d) Members Investment Fund
- 5 Net Profit of a firm is _____.
 - a) debited to capital account
 - b) debited to P & L account
 - c) credited to capital account
 - d) debited to drawing account

B). Define the following. (Each of 1 mark) (05)

1. Fictitious Assets
2. Economic Transaction
3. Capital Expenditure
4. Bad Debts
5. Nominal Account

C). Direct questions. (Each of 1 mark) (05)

1. What is Cost concept ?
2. How is cash transaction different from credit transaction?
3. Give two examples of non trading organizations.
4. State the objectives of preparing trial balance.
5. For changing date in tally, which key has to be used?

Q.2 Answer the following questions.

Write an explanatory note on : a. Personal Account and Real Account

A). b. Capital Receipt v/s Revenue Receipt

(07)

Prepare a Balance Sheet as on 31st March 2021 from the following information of RAM Ltd.

Particulars	Amount in Rs.	Particulars	Amount in Rs.
Term Loan	10,00,000	Sundry debtors	12,25,000
Sundry creditors	11,45,000	miscellaneous expenses	58,000
advances	3,72,000	loans from debtors	2,00,000
cash and bank balances	2,75,000	provision for doubtful debts	20,200
staff advances	55,000	Stores	4,00,000
provision for taxation	1,70,000	fixed assets(WDV)	51,50,000
securities premium	4,75,000	finished goods	7,50,000
loose tools	50,000	general reserve	20,50,000
investments	2,25,200	capital work in progress	2,00,000
loss for the year	3,00,000		

B).

(08)

Additional Information :

- Share capital consists of : a. 3000 equity share of Rs. 100 each fully paid up.
b. 10,000 105 redeemable preference shares of Rs. 100 each fully paid up.
- Term loans are secured.
- Depreciation on assets Rs. 5,00,000.

Q.3 Answer the following questions.

Write difference between receipts and payment account and income and expenditure account

A). prepared under non trading organization accounting system.

(07)

B). Write short note on Tally ERP 9 software.

(08)

Q.4 Attempt any two questions. **(Each of 7.5 mark)**

(15)

- Define accounting concepts and conventions and discuss briefly any four accounting
- Under tally software how are purchase and sales transactions recorded?

3.Prepare the Income and Expenditure Account of XYZ Club for the financial year 2020-21 from the following transactions:-

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
	(IN RS.)		(IN RS.)
OPENING BALANCE	18000	SALARIES	48000
SALE OF INVESTMENTS	20000	STATIONERY	2000
DONATIONS	1000	DEFENCE BONDS	30000
SUBSCRIPTIONS	90000	RENT	5000
SALE OF OLD FURNITURE	3000	CYCLE PURCHASED	3000
(BOOK VALUE RS.4000/=)		FURNITURE PURCHASED	20000
		CLOSING BALANCE OF CASH	24000
TOTAL	132000	TOTAL	132000

4. X Co. Ltd. was registered with an authorised Capital of Rs. 10,00,000 divided into shares of Rs. 10 each, of which 40,000 shares had been issued and fully paid.

The following is the Trial Balance extracted on 31st March 2021 :

	Dr.	Cr.
Stock (1.4.2020)	1,86,420	
Returns	12,680	9,850
Sundry manufacturing expenses	19,240	
18% Bank Loan (secured)		50,000
Office salaries and Expenses	17,870	
Directors' Remuneration	26,250	
Freehold premises	1,64,210	
Furniture	5,000	
Debtors and Creditors	1,05,400	62,220
Cash at Bank	96,860	
Profit and Loss Account on 1.4.2020		38,640
Share Capital		4,00,000
Purchases and sales	7,18,210	11,69,900
Manufacturing Wages	1,09,740	
Carriage Inwards	4,910	
Interest on bank loan	4,500	
Auditors' Fees	8,600	
Preliminary Expenses	6,000	
Plant and machinery	1,28,400	
Loose Tools	12,500	
Cash in hand	19,530	
Advance payment of Tax	84,290	
	17,30,610	17,30,610

You are required to prepare Profit and Loss Account for the year ended 31st March 2021 and a Balance Sheet as at that date after taking into consideration the following adjustments :

- (i) On 31st March 2021, outstanding manufacturing wages and outstanding office salaries stood at Rs. 1,890 and Rs. 1,200 respectively. On the same date stock was valued at Rs. 1,24,840 and loose tools at Rs. 10,000.
- (ii) Provide for interest on bank loan for 6 months.
- (iii) Depreciation on plant and machinery is to be provided @ 15% while on office furniture it is to be @ 10%.
- (iv) Write-off one-third of balance of preliminary expenditure.
- (v) Make a provision for income tax @ 50%.
- (vi) The directors recommended dividend @ 15% for the year ending 31st March 2021 after a transfer of 5% of the profits to general reserve.