

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2022-23 Examination

Semester: 1**Subject Code: 06101101****Subject Name: Financial Accounting****Date: 17-01-2023****Time: 10:30 AM to 1:00 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. Start new question on new page.

Q.1 Do as Directed.**A). Multiple choice type questions/Fill in the blanks.****(05)**

1. Bills Receivable & Closing Stock are the examples of:
 - a) Liquid assets
 - b) Current assets
 - c) Fixed assets
 - d) Capital assets
2. Which of the following summarizes the cash movements during a specified period?
 - a) Profit & Loss account
 - b) Trading account
 - c) Receipts & Payments account
 - d) Balance Sheet
3. Capital expenditure – (i) Car purchased, (ii) Machine purchased for business use, and (iii) Road tax of delivery van, Which one is correct of the following ?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
4. The basic accounting principle/concept according to which business record must be kept separate from the personal records of the owner is known as:
 - a) Going-concern concept
 - b) Separate entity principle
 - c) Realization principle
 - d) Objectivity principle
5. Bank loan is a _____ account.
 - a) Real
 - b) Nominal
 - c) Personal
 - d) Normal

B). Define the Following Terms (1 Mark Each)**(05)**

1. Financial Transaction.
2. Capital
3. Contingent liability
4. Voucher
5. Revenue Expenditure

C). Answer in one or two sentences (1 Mark Each)**(05)**

1. What is Capital Income?
2. Explain the accounting equation with illustration
3. State the rules of debit and credit
4. What is front-end interface.
5. What is a Suspense account?

Q.2 Attempt the following questions

- A). What is computerised accounting system. Explain advantages and disadvantages of computerised accounting system. (07)
- B). From the following Receipt and Payment Account for the year ending March 31, 2022 of Fan's Club, prepare Income and Expenditure Account for the same period: (08)

Dr. Receipt and Payment Account for the year ending March 31, 2022 Cr.

Receipt	Amount (Rs.)	Payment	Amount (Rs.)
Balance c/d Bank	25,000	Purchase of furniture (1.7.22)	5,000
Subscriptions Received		Salaries	2,000
2021 Rs. 1,500		Telephone expenses	300
2022 Rs. 10,000		Electricity charges	600
2023 Rs. 500	12,000	Postage and Stationery	150
Donation	2,000	Purchase of books	2,500
Hall rent	300	Entertainment expenses	900
Interest on bank deposits	450	Purchase government Securities (1.7.22)	8,000
Entrance Fee	1,000	Miscellaneous expenses	600
		Balance c/d:	
		Cash	300
		Bank	20,400
	40,750		40,750

The following additional information is available:

- 1) Outstanding expenses :Salaries– Rs. 1,500;Entertainment expenses – Rs. 500;
- 2) Bank interest receivable – Rs. 150;
- 3) Subscriptions accrued – Rs. 400;
- 4) 50 per cent of entrance fees is to be capitalised;
- 5) Furniture is to be depreciated at 10 per cent per annum.

Q.3 Attempt the following questions**(15)**

The following is the trial balance of Shri Ram Enterprise as on 31-12-2022. Prepare Final Accounts from the information given as under :

Name of Account	Dr. Rs.	Cr. Rs.
Printing and stationary	500	—
Opening stock	30,000	—
Drawing and Capital	9,000	1,09,000
Purchases and Sales	40,000	1,00,000
Debtors and Creditors	55,000	36,000
Plant and Machinery	60,000	—
Building on lease (from 1-7-2022 for 5 years)	40,000	—
Repairs`	500	—
Goods returned	1,000	500
Discount	220	600
Interest on Bank overdraft	80	—
Wages, Cartage and Octroi	5,200	—
Salesman's commission	600	—
Bad debt and Bad debt reserve	400	1,900
Salary	5,000	—
Insurance, Rates and Taxes	800	—
Cash and Bank balance	500	800
	2,49,800	2,49,800

Adjustments :

- 1). The closing stock is valued at Rs.20,000.
- 2). Depreciate plant and machinery at 10%
- 3). Calculate interest on capital at 6% and interest on drawings Rs.350
- 4). Rs.100 is outstanding for salaries.
- 5). Insurance includes Rs.50 prepaid and Rs.100 for life insurance.
- 6). Ram has withdrawn goods of Rs.100 for personal use and goods worth Rs.500 is stolen.
- 7). Goods worth Rs.1000 is burnt by fire against which the insurance company accepted a claim of Rs.800
- 8). Stock of stationary on 31-12-2022 is Rs.100.

Q.4 Attempt the following questions (Any 2)**(15)**

- 1 Define Accounting. Explain use and user of accounting information?
- 2 Explain the features available in Tally ERP 9 for Accounting
- 3 Give the meaning of Receipts and Payments Account. State the characteristics of Receipts and Payments Account and how it is differ from “Income and Expenditure Account”.

- 4 From the following information relating to Parul Cricket Club, prepare Income and Expenditure Account for the year ended March 31, 2017

Dr.		Receipts and Payments Account		Cr.	
Receipts	Amount Rs.	Payments	Amount Rs.		
Balance b/d (Cash in Hand)	18,000	Balance b/d (bank overdraft)	16,000		
Member's subscriptions	2,50,000	Upkeep of field and pavilion	1,15,000		
Member's admission fee	15,000	Tournament expenses	40,000		
Sale of old sports materials	2,500	Rates and Insurance	10,000		
Hire of ground	28,000	Telephone	3,500		
Subscription for tournament	60,000	Postage and Courier charges	4,000		
Life membership fee	20,000	Printing and Stationery	26,000		
Donations	6,00,000	Miscellaneous expenses	4,400		
		Secretary's honorarium	30,000		
		Grass seeds	2,600		
		Investments	6,00,000		
		Purchase of sports materials	68,000		
		Balance c/d	74,000		
	9,93,500			9,93,500	

Assets at the beginning of the year were: Playground Rs. 5,00,000, Cash in hand Rs. 18,000, Stock of sports materials Rs. 85,000, Printing and Stationery Rs. 11,000, Subscriptions receivable Rs. 28,000

Donations and Surplus on account of tournament are to be kept in Reserve for permanent pavilion. Subscriptions due on March 31, 2017 were Rs. 42,000. Write-off 50% of sports materials and 30% of printing and stationery.