

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2017 - 18 Examination

Semester: 1**Subject Code: 06101101****Subject Name: Financial Accounting****Date: 13/12/2017****Time: 02:00pm to 04:30pm****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. (Each of 1 mark) (05)**

1. The balance which an A/C shows at the end of the year is called:

a) Opening Balance	c) Negative Balance
b) Closing Balance	d) Zero Balance
2. Expenses normally have :

a) Zero Balance	c) Credit Balance
b) Debit Balance	d) None of these
3. The word "To" is used before an account while making posting on:

a) Debit side of an account	c) Credit side of an account
b) Both sides of an account	d) None of these
4. Land comes under _____ of Balance sheet

a) Current Assets	c) Current Liability
b) Fixed Assets	d) Other Liability
5. Creditors come under _____ head.

a) Current Assets	c) Current Liability
b) Fixed Assets	d) Other Liability

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

1. Assets
2. Liabilities
3. Debtors
4. Creditors
5. Stock

C). Classify the following into types of accounts, i.e Real, Personal & Nominal (Each of 1 mark) (05)

1. Cash Balance
2. Car
3. Wages paid
4. Mr. Salman Khan
5. PQR Pvt. Ltd.

Q.2 Answer the following questions.**A). Explain the accounting conventions and concepts. (07)****B). What is Tally? Also explain how this software has been helpful to the current accountants to reduce their efforts for maintaining accounts. (08)****Q.3 Answer the following questions.****A). Explain the convention of consistency and full disclosure. (07)****B) From the Receipt and Payment Account given below, prepare the Income and Expenditure Account of Clean Delhi Club for the year ended March 31, 2017. (08)**

Receipt and Payment Account for the year ending March 31, 2014

Dr.		Cr.	
Receipts	Amount	Payments	Amount
Opening Cash Bal.	3,200	Salary	1,500
Subscriptions	22,500	Rent	800
Entrance Fees	1,250	Electricity	3,500
Donations	2,500	Taxes	1,700
Rent of hall	750	Printing & Stationary	380
Sale of Investment	3,000	Sundry Expenses	920
		Books Purchased	7,500
		Govt. Bonds Purchased	10,000
		Fixed deposit with Bank	5,000
		Cash Bal.	1,900
Total	33,200	Total	33,200

Q.4 1. The following trial balance have been taken out from the books of XYZ as on 31st December, (15)

	Dr. Rs.	Cr. Rs.
Plant and Machinery	100,000	
Opening stock	60,000	
Purchases	160,000	
Building	170,000	
Carriage inward	3,400	
Carriage outward	5,000	
Wages	32,000	
Sundry debtors	100,000	
Salaries	24,000	
Furniture	36,000	
Trade expense	12,000	
Discount on sales	1,900	
Advertisement	5,000	
Bad debts	1,800	
Drawings	10,000	
Bills receivable	50,000	
Insurance	4,400	
Bank balances	20,000	
Sales		480,000
Interest received		2,000
Sundry creditors		40,000
Bank loan		100,000
Discount on purchases		2,000
Capital		171,500
	795,500	795,500

Closing stock is valued at Rs.90,000

Prepare the trading and profit and loss account of the business for the year ended 31.12.2017 and a balance sheet as at that date. **OR**

- Define Accounting. What is accounting process What are the differences between book-keeping and accounting? (7.5)
- Define Balance Sheet and discuss its various parts with the help of an imaginary balance sheet. (7.5)