PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2018-19 Examination

Semester: 1   Date: 02/05/2019
Subject Code: 06101101   Time: 10:30am To1:00pm
Subject Name: Financial Accounting   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.   Owner's drawing will be deducted from_____.
   a) Capital   b) Net Profit
   c) Closing Stock   d) Net Loss

   2.   The subscription received in advance during the accounting year will be treated as _____-
   a) An Asset   b) An Income
   c) A Liability   d) Expense

   3.   _____ Account is like Cash account.
   a) Receipt and Payment A/C   b) Income & Expenditure A/C
   c) Profit & Loss A/C   d) None of Above

   4.   Income tax refund account is a _____ account.
   a) Real Account   b) Nominal Account
   c) Personal Account   d) None of Above

   5.   Legal fees paid to acquire a property is considered as _____.
   a) Capital Expenditure   b) Revenue Expenditure
   c) Capital Receipt   d) Revenue Receipt

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

   1.   Bad Debt
   2.   Capital
   3.   Account
   4.   Revenue Expenditure
   5.   Subscription

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

   1.   Give one example of 'Contingent Liability.
   2.   Give one example of Real Account.
   3.   Which expenses are shown in Receipt & Payment Account?
   4.   What is Capital Expenditure?
   5.   Give debit credit rule of "Real Account".

Q.2 Answer the following questions

A). Mention what are the types of ledger you can prepare in Tally ERP 9? **(07)**

B). On 31-3-2018, the following Trial Balance of Mr. Sarkar was taken out. Prepare Final Accounts for the year after considering the adjustments. **(08)**

Trial Balance

Debit	Rs.	Credit	Rs.
Patent & Trademark	1,24,000	Capital	2,40,000
Plant & Machinery	80,000	Sales	2,91,200
Furniture & Fittings	12,000	Creditors	49,600
Travelling Expenses	820	Purchase return	4,880
Carriage Inward	4,080	Bills Payable	14,400
Carriage Outward	4,800	Bank Loan at 5% interest	20,000
Purchases	1,44,000		
Sales return	3,200		
Wages	8,080		
Discount	1,600		
Drawings	6,760		
Stock (1-4-2017)	4,000		
Insurance Premium	1,240		
Interest on Bank Loan	800		
Cash	8,000		
Debtors	56,700		
Preliminary Expenses	1,60,000		
	6,20,080		**6,20,080**

Additional Information :

(1) Stock as on 31-3-2018, Rs. 12,000, Market Value of which is Rs. 11,200.

(2) Prepaid Insurance is Rs. 440.

Q.3 Answer the following questions.

A. Explain "Accounting Equation" with illustration. **(07)**

B. The following is the Receipt and Payment Account of a club for the year ending on 31-12-2017 **(08)**

Receipt & Payment Account for the year ended on 31-12-2017

Receipts	Rs.	Payments	Rs.
To Balance b/d	1,78,458	By Construction of building	1,26,000
To Donations	2,31,000	By Furniture	42,000
To Interest on Securities	5,040	By Insurance	735
To Locker Rent	10,500	By Investment	3,36,000
To Receipts from Cricket matches	16,800	By Expense in connection with matches	18,900
To Subscriptions	1,09,200	By Salaries	6,440
To Sundry Income	735	By Sundry Expenses	8,400
		By Telephone Expense	966
		By Wages	700
		By Balance c/d	11,592
	5,51,733		**5,51,733**

Additional Information :

1. Depreciate furniture by 10%.
2. Donations received have to be capitalized
3. Outstanding salaries Rs. 3,570
4. Outstanding telephone expense Rs. 840
5. Outstanding wages Rs. 1,890
6. Subscription Outstanding Rs. 5,250

You are required to prepare Income & Expenditure Account with the help of above details.

Q.4 Attempt any two questions.   (Each of 7.5 mark) (15)

1. "Where ever we are preparing account, we always consider the least possible cost of closing stock and it must be in rupee or Monetary terms" explain the sentence with reference to accounting concept and conventions.

2. Difference between Receipt & Payment Account and Income and Expenditure Account.

3. Show how Trading concern differs from Non-trading concern.

4. Mention what are the types of Tally ERP 9 vouchers? Also give the shortcut for creating these vouchers?