

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2017 - 18 Examination

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

Date: 02/06/2018
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. Salary outstanding account is _____
 - a) Real Account
 - b) Nominal Account
 - c) Real and Nominal Account
 - d) Personal Account
2. Which of the following is capital expenditure?
 - a) Rs. 50,000 paid as brokerage in connection with purchase of land
 - b) Rs. 50,000 paid for Construction of Railway siding
 - c) A second hand machine purchased for Rs. 15,000
 - d) All of the above
3. Legacy treated as a _____
 - a) Revenue Receipt
 - b) Capital Receipt
 - c) Revenue Expenditure
 - d) Capital Expenditure
4. The accounting data should be definite, variable and free from personal bias in accordance with _____ Principle
 - a) Full Disclosure
 - b) Materiality
 - c) Matching
 - d) Cost
5. Depreciation is provided on fixed assets as per
 - a) Matching concept
 - b) Realisation concept
 - c) Cost Concept
 - d) None of above

B). Define the following terms. (05)

1. Depreciation
2. Trial Balance
3. Narration
4. Transaction
5. Accounting concept

C). Direct questions. (05)

1. What is Trading Account?
2. What are adjusting entries?
3. What is double entry mechanism?
4. What do you mean by business entity concept?
5. What is Liability? Explain with example

Q.2 Answer the following questions.

A). Who are the use of accounting information? (07)

B). List out the requirements for installing Tally and how to Install? (08)

Q.3 Answer the following questions.

A). Mention what are the types of Tally ERP 9 vouchers? Also give the shortcut for creating vouchers. (07)

- B). From the undermentioned Receipts and Payments Account for the year ending 31st March 2002 of Nazi's Club, prepare an Income and Expenditure Account for the same period (08)

Receipts and Payments Account for the year ending 31.3.2002			
Dr.		Cr.	
Expenditure	Amount (Rs.)	Income Amount	Amount (Rs.)
Balance c/d – Bank	25,000	Purchase of furniture (1.4.01)	5,000
Subscriptions		Salaries	2,000
2001 1,500		Telephone expenses	300
2002 10,000		Electricity charges	600
2003 500	12,000	Postage and Stationery	150
Donations	2,000	Purchase of books	2,500
Hall rent	300	Entertainment expenses	900
Interest on bank	450	Purchase of 5% Government	
deposits		papers (1.7.01)	8,000
Entrance fees	1,000	Miscellaneous expenses	600
		Balance c/d	
		Cash	300
		Bank	20,400
	40,750		40,750

The following additional information is available:

- (i) salaries outstanding – Rs 1500;
- (ii) entertainment expenses outstanding – Rs 500;
- (iii) bank interest receivable – Rs 150;
- (iv) subscriptions accrued – Rs 400;
- (v) 50 per cent of entrance fees is to be capitalised;
- (vi) furniture is to be depreciated at 10 per cent per annum

- Q.4 From the following Trial Balance of Mustafa & Co., prepare Trading and Profit and loss A/c for the year ending on 31st Dec. 2016 and Balance Sheet as on that date after making necessary journal entries for adjustments. (15)

Particulars	Dr. Balance (Rs.)	Particulars	Cr. Balance (Rs.)
Land and Building	60000	Capital	150000
Plant and Machinery	40000	Sundry Creditors	30000
Bill Receivables	8000	Sales	120000
Stock on 1.1.2016	40000	Reserve for Bad and Doubtful	4500
Purchases	51000	Debts	
Wages	20000	Loan (12% p.a.)	10000
Coal, Gas & Coke	5800	Commission Received	2000
Salaries	5000		
Rent	2800		
Cash at bank	25000		
Sundry Debtors	45000		
Repairs	1800		
Bad Debts	5500		
Sales Returns	2000		
Furniture and Fixture	4000		
Interest on Loan	600		
	3,16,500		3,16,500

Adjustments

1. Closing stock valued at Rs. 30000.
2. Depreciate Plant & Machinery @ 5% and Furniture & Fixture @ 10%.
3. Provide for Bad and Doubtful Debts @ 5%.
4. Outstanding Wages Rs. 1000, Rent Rs. 500 and interest on loan outstanding Rs 600.
5. Commission accrued Rs. 1000.

OR

- Q.4**
1. Differentiate receipt and payment a/c and income & expenditure account. **(7.5)**
 2. Briefly explain the debits and credit. And rules of debit and credit. **(7.5)**