

(8 pages)

NOVEMBER 2022

72232/BB21B

Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define Ledger. Why is it called the book of original entry?
2. What is double entry system of accounting?
3. How would treat bad debts and bad debts provision in the preparation of final accounts?
4. State any two features of Receipts and payments account.
5. Distinguish between Capital payments and Revenue payments.
6. Define partnership. What are its essentials?
7. Define the term Goodwill
8. What do you mean by Revaluation accounts?
9. Define the term "Amortization"?

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17. Prepare Two Column Cash Book from the following transactions and balance the book on 31st Jan., 2019:-
2019
Jan.1 Cash in hand Rs.50,000 ; Bank overdraft Rs.1,90,000
Jan.2 Purchased goods from Rajesh Kumar of the list price of Rs. 50,000 at 5 trade discount and payment made by cheque.
Jan.6 Goods sold for Rs. 80,000 and payment received by cheque. Cheque deposited into Bank on same day.
Jan.10 Goods purchased for cash Rs. 19,800
Jan.15 Furniture sold for Rs. 1,77,000 and payment received by cheque and Cheque deposited into Bank on same day.
Jan.18 Salaries paid Rs. 4,500.
Jan.21 Settled the amount due to Ram Rs. 2,000 by paying cash Rs. 1,910.
Jan.22 Cash received from Jai Rs. 14,780 in full settlement of his account of Rs. 15,000.
Jan.23 Paid Life Insurance premium Rs.1,500.
Jan.31 Deposited with bank the entire balance after retaining Rs.7,000 cash in hand.
18. A firm purchased machinery for Rs.2, 00,000 on 01.01.2000. A depreciation fund was established to collect the necessary amount for replacement of

10. What do you mean by joint life policy?

11. Give a list of non-trading concerns.

12. State the causes for depreciation

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. Define accounting. Explain the stages of double-entry system.
14. What is non-trading organisation? State the important capital and revenue receipts for a non-trading organisation.
15. Give an account of different methods of provision for depreciation.
16. A and B are partners sharing profits and losses in the ratio 3:2 respectively. They admit C as partner who is unable to bring goodwill in cash but pays Rs 96,000 as his capital. The goodwill of the firm is to be valued at two year's purchase of three years' profits. The profits for the three years were Rs. 30,000, Rs. 24,000 and X 27,000. An adjustment entry is to be passed for C's share of goodwill. The new ratio will be 5 : 2 : 2. Pass journal entries.

the machinery at the end of 4 years with an interest of 4% p.a. On December 31, 2003 the fund account was closed and machine was replaced. Prepare depreciation fund a/c (table shows that to get Re. 1.00 at the end of the 4 years @ 4% p.a., the annual investment is Re. 0.2355).

19. John & Co. keeps their books using the single-entry system. The position of the firm on 1st January 2019 was as follows:

Stock in trade	Rs 18,000
Debtors	Rs 15,000
Furniture and fixtures	Rs 17,500
Cash at bank	Rs 12,500
Sundry creditors	Rs 13,500
Outstanding salaries	Rs 2,200

The position of the firm on 31 December 2019 was as follows:

Stock in trade	Rs 24,000
Debtors	Rs 19,500
Furniture and fixtures	Rs 15,000
Plant	Rs 10,000
Sundry creditors	Rs 12,000
Bank overdraft	Rs 8,000

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[P.T.O.]

During the year, one of the owners withdrew Rs 3,500 for personal expenses. In this case, charge interest on capital @ 5% p.a. Prepare Statement showing the company's profit or loss for the year 31st December 2019.

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the different accounting concepts.
21. Record the following transactions in the Journal and post them into ledger and prepare a Trial Balance.
- Oct 1st : Neela started business with a capital of 80,000
- 3rd : Bought goods from Kala on credit 20,000
- 4th : Sold goods to tarl 25,000
- 5th : Cash purchases 25,000
- 7th : Cash sales 15,000
- 9th : Goods returned to Kala 2,000
- 10th : Bought furniture for 15,000
- 11th : Cash paid to Kala 12,000
- 12th : Goods returned by Tarl 3,000
- 14th : Goods taken by Neela for personal use 3,000
- 15th : Cash received from Tarl 12,000
- 16th : Took loan from Parl 30,000
- 17th : Salary paid 5,000

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To Receipt from concert	22,000	By Telephone charges	2,500
To Dividend Receipts	2,000	By Sundry expenses	2,000
		By investment in Shares	75,000
		By Postage and Telegrams	2,250
		By Building maintenance	6,000
		By rent of Theatre	12,500
		By Cash at Bank	11,800
			<u>1,15,800</u>

Additional Information

- (a) On April 1, 2007 building stood in the books of Rs.50,000 and Investments in shares Rs.5,000. Buildings are subject to depreciation @ 5% p a
- (b) There were 200 members paying Subscriptions at the rate of Rs. 250 per annum.
- (c) Postage stamps worth Rs.250 were in stock with the secretary as on April 1,2007 and as on 31st March, 2008 they were valued at Rs.150.

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18th : Bought stationery for 1,000

19th : Amount paid to Parl on loan account 18,000

20th : Interest Received 4,000

22. Mr. 'Shanna purchased a plant on 1.1.2001 for a sum of Rs. 2,00,000 having useful life of 3 years. The estimated Scrap Value of machine is Rs. 20,000. Depreciation is calculated on the basis of Sinking Fund Method. The Sinking Fund Investments are expected to earn interest @ 5 % P.a. Sinking Fund Table shows that Re. 0.317208 if invested yearly at 5% P.A. produces Re.1 at the end of 3 years. The investments are sold at the end of 3rd year for a sum of Rs. 1,50,000. A new plant is purchased for Rs. 2,30,000 on 1.1.2004. The scrap of the old Plant sold for Rs. 15,000, you are required to prepare the necessary accounts in the books of James.

23. Following is the Receipts and Payment Account of a Library Club for the year ended on March 31, 2008.

Receipts	Rs.	Payments	Rs.
To Cash at Bank	12,500	By Salaries	2,500
To Subscription	52,500	By Printing and Stationery	1,250
To Annual Day Receipts	26,800	By Annual day expenses	2,500

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- (d) Telephone charges paid in advance were Rs.300.

Prepare the Income and Expenditure Account for the year ended on March 31, 2008 and the Balance Sheet as on that date.

24. Mr. Ashok does not keep his books properly. Following information is available from his books

Jan. 01.2019 Dec.31,2019

Sundry creditors	45,000	93,000
Loan from wife	66,000	57,000
Sundry debtors	22,500	-
Land and Building	89,600	90,000
Cash in hand	7,5008	8,700
Bank overdraft	25,000	-
Stock	34,000	25,000

During the year Mr. Ashok sold his private car for Rs. 50,000 and invested this amount into the business. He withdrew from the business Rs. 1,500 per month up to July 31, 2019 and thereafter Rs. 4,500 per month as drawings. You are required to prepare the statement of profit or loss and statement of affair as on December 31, 2019.

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