

(Please write your Exam Roll No.)

Exam Roll No. 2

END TERM EXAMINATION
First Semester (BBA) January-February 2023

Paper Code: **BBA 105** Subject: **Financial Accounting and Analysis**
BBA (B&I) 105
BBA (CAM) 105

Time: **3 Hours** Maximum Marks: **75**

Note: Attempt five questions in all including Q.No. 1. Which is compulsory.

- Q1. Answer any five from the following: (5x5=25)
- Difference between accounting and book keeping
 - IFRS
 - Human Resource Accounting
 - Social Responsibility Accounting
 - What is right issue?
 - Explain deferred revenue expenditure.
 - Explain sinking fund
 - advantages of petty cash book
- Q2. What do you mean by accounting? Who are the parties interested in accounting information? (12.5)
- Q3. From the following Trial balance of Sovera medicos, Prepare a profit and loss account for the year ended March 31st, 2022. (12.5)

Particulars	Trial balance	
	Debit Rs	Credit Rs
Capital		2,50,000
Inventory (on April 1 st , 2021)	60,000	
Account receivable	1,00,000	
Accounts payable		70,000
Sales		6,00,000
Purchases	3,70,000	
Sales Returns	20,000	
Purchase Returns		10,000
Discount received		10,000
Bills payable		40,000
Rent received		10,000
Insurance	10,000	
Drawing	20,000	
Land & building	1,50,000	
Freehold Property	50,000	
Plant & Machinery	50,000	
Petty expenses	6,000	
Cash at Bank	20,000	
Furniture	30,000	
Freight	20,000	
Wages	15,000	
Salaries	15,000	
Advertisement	10,000	
Postage and Telephone	10,000	
General expenses	34,000	
Total	9,90,000	9,90,000

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- (a) Interest was valued on March 31, 2022 at Rs 95,000.
 (b) Depreciate Plant and Machinery by 15% and Furniture by 10%.
 (c) Provide for interest on Capital at 10% and interest on Drawing at 6%.
 (d) Provide for following outstanding expenses: Wages Rs 10,000, Salaries Rs 7,000, General Expenses Rs 5,000.
 (e) Interest was prepaid to the extent of Rs 3,000.
 (f) A sum of Rs 2,000 was earned by the way of discount but not yet received and hence not included in accounts.
 (g) A sum of Rs 3,000 represents rent received in advance but not yet due.
 (h) A provision of 2% is required on debtor towards bad and doubtful debts.
 (i) A provision of 50% towards taxation on profits (before taxation) is required.
- Q4. Pass the following journal entries: (12.5)
- Salaries paid Rs10,000 after deduction Rs1,000 as income tax, Rs 1,500 as employer's share of provident fund but before employer's share of provident fund Rs1,500.
 - Goods worth Rs50,000 are insured against loss by flood. The policy is for Rs50,000. Actual loss caused by flood is Rs35,000. The insurance company settles the claim and pays for cash (proportionately).
 - Old machine of the book value of Rs40,000 is exchanged for a new machine of Rs1,20,000. The old machine is valued at Rs25,000 for exchange purpose to machine tools Ltd.
 - Purchased 100 shares of LM Ltd @ Rs15 per share/face value Rs100 per share, brokerage paid Rs5.
 - Paid salaries to staff Rs 6,000 and recovered from travelling salesman Rs1,500 for goods supplied to him after deducting his travelling expenses of Rs 50.
- Q5. Explain the need and significance of depreciation? What factors should be considered for determining the amount of depreciation? (12.5)
- Q6. Standard cotton mills Ltd issued 50,000 shares of Rs 10 each at the maximum discount permitted by the companies act, payable as follows: (12.8)
- On application Rs 2 per share
 - On allotment Rs 2 per share
 - On first call Rs 1.50 per share
 - On final call the balance amount
- Application was received for 75,000 shares. The director made pro-rata allotment to applicants for 60,000 shares. Mr Raj Kumar did not pay the allotment money on 100 shares while Mr Kavita did not pay final call on 60 shares. Pass the journal entries.

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- U7. Mr. X purchased second hand machinery on 1st February, 2009 for Rs 50,000. Paid Rs 11,000 for its overhauling and Rs 5,000 for its installation which was completed by 31st March, 2009. The company provides depreciation on its Machinery at 15% on diminishing balance method from the date it was put to use and closes its books on 31st Dec every year. On 1st October, 2010, a repair work was carried out on the Machine and Rs 3,000 were paid for the same. The machine was sold on 31st October 2011 for a sum of Rs 11,000 and amount of Rs 1,000 was paid as dismantling charge. Prepare machinery account from 2009 to 2011. (12.5)
- Q8. Pass journal entries: (12.5)
- Issuance of Rs 50,000, 13% debenture at a discount of 5%, redeemable at par.
 - Issuance of Rs 50,000, 13% debenture at par redeemable at 10% premium.
 - Issuance of Rs 50,000, 13% debenture at a premium of 5%, redeemable at par.
 - Issuance of Rs 50,000, 13% debenture at a discount of 5%, redeemable at 20%.

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