Seat No. : 00625

JG-101

January-2024

B.B.A., Sem.-I

DSC-M-BBA-113 : Financial Accounting

Time : 2 Hours] **[Max. Marks : 50**

1. Write short Notes : **10**
   (A) Types of accounts with examples
   (B) Contingent Liability

OR

   (A) Difference between General Reserve and Provisions. **5**
   (B) Difference between Capital expenditure and Revenue expenditure **5**

2. From the following Trial Balance of the Kamal Education Society as at 31st March, 2023, prepare an Income and Expenditure Account and Balance Sheet : **10**

Particulars	Dr. (₹)	Cr. (₹)
Furniture	25,000	
Additions to the furniture during the year	6,400	
Library Books	35,000	
Additions to library books during the year	8,600	
Building	5,50,000	
Investments	3,00,000	
Investment Reserve fund		30,000
Debtors and Creditors	10,000	29,000
Entrance fees		30,400
Subscription received		45,800
Hire of society hall		13,000
Interest released on investment		11,000
Sundry receipts		1,200
Salaries	20,200	
Printing and Stationery	2,000	
Insurance and Taxes	1,800	
Sundry expenses	4,350	
Prize trust fund		32,000
Prize trust investment	31,600	
Price trust income		1,300
Prize awarded	900	
Prize fund bank balance	550	
Donations		36,000
Capital fund		7,78,300
Cash at bank	11,000	
Cash on hand	600	
	10,08,000	**10,08,000**

Additional Information :

(1) Subscriptions to be received ₹ 9,000.

(2) Subscription received in advance ₹ 1,000.

(3) Total interest on Investment was ₹ 11,900.

(4) Salary outstanding ₹ 3,600.

(5) Insurance and taxes paid in advance for three months as ₹ 150 per month.

(6) Provide depreciation at the following rates (including additions):

(a) Library Books - 15% p.a.

(b) Furniture - 5% p.a.

(c) Building - 1% p.a.

OR

(A) Difference between final accounts of Trading and Non-Trading concerns. **5**

(B) Difference between Capital Receipts and Revenue Receipts. **5**

3. From the following ledger balances of Shri Abhinav, prepare Trading Account, Profit and Loss Account for the year ending 31st March, 2019. Also prepare the Balance Sheet as on that date : **10**

Particulars	Amt. (₹)	Particulars	Amt. (₹)
Capital	4,00,000	Sundry Expenses	12,800
Opening stock	1,20,000	Drawings	24,000
Sales	8,00,000	Discount received by customers	5,000
Salary (upto 28/2/'19)	33,000		
Debtors	80,800	Bad Debts recovered	1,800
Carriage outward	3,600	Purchases	6,00,000
5% Mortgage Loan (Cr.) (Dt. 1/10/'18)	36,000	Building	2,46,000
Wages	60,000	Insurance Premium (year ending 30/6/'19)	4,800
Goods returned by customers	20,000	Postage	3,600
Creditors	68,000	Cash & Bank balance	18,000
Rent	18,000	Bad debts	2,000
Octroi	1,600	Bad debts reserve	2,200
Furniture	13,200	Reserve for discount on creditors	1,600
Plant and Machinery	49,000		
Goods returned to suppliers	10,000	Depreciation on Building	4,000
Sales of furniture (1/4/'18)	1,000	Outstanding wages	2,000

Adjustments :

Closing stock is ₹ 1,68,000; of which the market value of 10% stock is less by 10%.

Goods purchased by Ram for ₹ 800 were returned by him on 20/3/'19. This was not recorded in the books.

Depreciate Plant & Machinery and Furniture by 10%.

An amount of ₹ 10,000 paid for court fees for purchase of building was debited to sundry expenses account.

Write off ₹ 2,000 as bad debts and provide 5% bad debt reserve.

Charge 5% interest on capital.

The book value of furniture sold was ₹ 1,200.

On 1/10/'18 Shri Abhinav brought his personal furniture worth ₹ 8,000 in the business. This was not recorded in the books.

On 1/4/'18 a machine worth ₹ 2,400 was sold for ₹ 2,000. This amount is included in the sales.

OR

(A) Format of Profit & Loss A/c as per final accounts of sole proprietary concern. **5**

(B) Difference between Trial Balance and Balance Sheet. **5**

4. On 1st October, 2022 Luv and Kush entered into joint venture sharing profits and losses in the ratio of 3:2. They deposited ₹ 1,00,000 and ₹ 60,000 respectively into their Joint Bank Account and decided that Joint Bank Account is to be used for purchase and sale, while joint venture expenses should be paid by each partner out of their private funds. Luv is to be paid salary of ₹ 400 per month for general administration and Kush is to be paid commission at 5% on sales he effects. **10**

Luv purchased goods worth ₹ 1,30,000 and paid for expenses ₹ 10,000. Kush sold some of the goods for ₹ 1,20,000 and paid selling expenses ₹ 1,000. Unsold goods worth ₹ 40,000 were taken away by Luv.

Accounts were settled on 31st March, 2023. Prepare necessary accounts to record the above transactions.

OR

4. Difference between Joint Venture and Consignment. **10**

5. Do as directed : (attempt any **ten**) **10**

(1) Capital = Assets – ________ ?

(a) Loss (b) Profit

(c) Liabilities (d) Cost

(2) A person whose liabilities are lesser than assets is called ________.

(Solvent / Insolvent)

(3) The rule of "Debit expenses and Credit Incomes & Gains" is applicable to :

(a) Real Account (b) Nominal Account

(c) Personal Account (d) None of these

(4) Subscription is the ______ income. (Capital / Revenue)

(5) Income and expenditure account is just like :

(a) Receipts and Payments A/c (b) Trading Account

(c) Profit and Loss Account (d) Cash Account

(6) Legal fees paid to acquire a property is considered as capital expenditure. (True / False)

(7) Owner's drawing will be deducted from :

(a) Capital (b) Net Profit

(c) Sales (d) Purchase

(8) Profit on sale of old furniture is credited to :

(a) Trading Account (b) Manufacturing Account

(c) Furniture Account (d) Profit and Loss Account

(9) Closing stock is valued at :

(a) Cost Price

(b) Market Price

(c) Market price or cost whichever is less

(d) Market price or cost whichever is high.

(10) Which act is applicable to the Joint Venture business ?

(a) Companies Act, 2013 (b) No particular law

(c) Partnership Act, 1932 (d) Co-operative Societies Act

(11) Joint Venture is possible in which particular business out of following :

(a) Construction of a bridge (b) Medical Store

(c) Cloth Shop (d) ABC Cement Agency

(12) A and B entered into the joint venture. A gives ₹ 50,000 to B. To which account this transaction will be recorded in the books of A ?

(a) Joint Venture A/c (b) Expense A/c

(c) B's A/c (d) None of these
