

BBA Sem II

Total number of printed pages-8

47(2) FIAC 2-4

2010

FINANCIAL ACCOUNTING

Paper : 2-4

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Answer the following as directed : $1 \times 10 = 10$

(a) Explain the following terms :

(i) Receipts and Payment Account

(ii) GAAP

(iii) Purchases Day Book

(iv) Suspense Account

(v) Cash Book.

(b) Fill in the blanks :

(i) Income and Expenditure Account records _____ year items only.

Contd.

2. Answer the following (any five) : 2.5-10
- (ii) Bills of Exchange accepted by debtor are recorded in _____ journal
 - (iii) Every transaction has _____ aspects.
 - (iv) A Bank Reconciliation Statement is prepared by _____ of a bank.
 - (v) Goods taken by proprietor for personal use are recorded in _____
 - (a) What do you mean by contra-entry ?
 - (b) Mention any two objectives of accounting.
 - (c) State two causes of difference in the bank balance as per pass book and cash book.
 - (d) Mention any two features of capital expenditure.
 - (e) Define Trial Balance.
 - (f) What do you mean by ledger posting ?
 - (g) What is accounting information ?

3. Answer the following (any five) : 4×5=20
- (a) State the rules of debit and credit for the different types of accounts under English Approach.
 - (b) Distinguish between a Journal and a ledger.
 - (c) Who are the users of accounting information ? Explain.
 - (d) What are the contents of corporate annual report ?
 - (e) What do you mean by double entry system of book-keeping ? State two advantages of double entry system.
 - (f) Pass Journal entries for the following :
2+1+1
 - (i) Sold goods to Mr Naba for Rs. 500, received Rs. 475 in cash and the balance was granted as discount.
 - (ii) Income-tax paid from business cash Rs. 1000.
 - (iii) Goods worth Rs. 300 were distributed as free sample.

(ii) Bills of Exchange accepted by debtors are recorded in _____ journal.

(iii) Every transaction has _____ aspects.

(iv) A Bank Reconciliation Statement is prepared by _____ of a bank.

(v) Goods taken by proprietor for personal use are recorded in _____.

2. Answer the following (any five) : $2 \times 5 = 10$

(a) What do you mean by contra-entry ?

(b) Mention any two objectives of accounting.

(c) State two causes of difference in the bank balance as per pass book and cash book.

(d) Mention any two features of capital expenditure.

(e) Define Trial Balance.

(f) What do you mean by ledger posting ?

(g) What is accounting information ?

3. Answer the following (any five) : $4 \times 5 = 20$

(a) State the rules of debit and credit for the different types of accounts under English Approach.

(b) Distinguish between a Journal and a ledger.

(c) Who are the users of accounting information ? Explain.

(d) What are the contents of corporate annual report ?

(e) What do you mean by double entry system of book-keeping ? State two advantages of double entry system.

(f) Pass Journal entries for the following : $2+1+1$

(i) Sold goods to Mr Naba for Rs. 500, received Rs. 475 in cash and the balance was granted as discount.

(ii) Income-tax paid from business cash Rs. 1000.

(iii) Goods worth Rs. 300 were distributed as free sample.

- (g) What are the errors which can be detected by preparation of a Trial Balance ?

4. Answer the following (any four) : $5 \times 4 = 20$

- (a) From the following particulars of M/s Sharma Computers you are required to prepare a Purchase Day Book for the month of May, 2010 :

2010

- May, 05 Purchased from Das & Das on account
300 dvd's at Rs. 20 each
200 cd's at Rs. 5 each
less trade discount @ 10%.
- May, 10 Purchased 10 printers for sale, on credit from M/s Lahkar Associates at Rs. 2,000 each.
- May, 20 Purchased from Dutta Brothers, on credit, one type-writer for office use Rs. 3,000.
- May, 25 Purchased from Pathak Enterprises, 2 laptops for cash at Rs. 30,000 each, cash-discount @2%.
- May, 31 Purchased on credit from M/s Ruchi International Traders, 20 computer monitors at Rs. 7,500 each, less 10% trade discount.

- (b) Prepare an analytical petty cash book under Imprest system from the following particulars :

2010

- May 1 Received from head-cashier imprest money Rs. 300.00.
- May 2 Purchased stationery goods Rs. 30.00
- May 3 Bought stamps Rs. 25.00
- May 4 Paid cartage on goods purchased Rs. 70.00.
- May 5 Paid wages for unloading Rs. 20.00.
- May 6 Paid for repairs of furniture Rs. 20.00.
- May 7 Paid to Mr. Bora on account Rs. 55.

- (c) Prepare a Bank Reconciliation Statement of Sri Chakraborty from the following information as on 31st March, 2010 :

- (i) A cheque of Rs. 2000 issued in the month of March, 2010 but has not been presented for payment to the bank.
- (ii) A customer deposited cheque worth Rs. 3000 which has not yet been collected by the bank.
- (iii) The bank has allowed Rs. 200 as interest.

(iv) Bank has charged Rs. 20 as commission. Cash Book showed a debit bank balance of Rs. 15,000 on 31st March, 2010.

(d) Prepare a Receipts and Payments Account in the books of Sunrise Club from the following information for the year ended 31-12-10 :

	Rs.
Subscriptions received (which includes Rs. 400 for 2009)	7,500
Donations (capital receipt)	3500
Life members subscription	2000
Interest received	80
Rent received from tennis court	4300
Salary to Staff (including Rs. 450 for 2009)	2750
Honorarium to coach	800
Scholarship to students	300
Office furniture purchased	5600
Ground rent & Municipal taxes paid	350
<i>Outstanding on 31-12-10</i>	
Salaries	150
Scholarship	80
Subscription	200

(e) From the following transactions prepare the account of Gokul and balance the account on 31st May, 2010.

	Rs.
2010	1200
May 1	Opening Balance (Dr.) 6000
May 8	Purchased goods from him 3500
May 10	Paid cash to him 500
May 15	Returned goods to him 9000
May 22	Sold furniture to him 5000
May 29	Received from him by cheque

5. (a) The following trial balance has been extracted from the books of Mr. H. Das on 31st March, 2010.

Dr.		Cr.	
Machinery	4000	Capital	9000
Cash at bank	1000	Sales	16000
Cash in hand	500	Creditors	4500
Wages	1000	Interest Received	300
Purchases	8000	Provision for doubtful debts	200
Stock on 1.4.2009	6000		
Debtors	4600		
Bills Receivable	2900		
Rent	450		
Commission paid	250		
Trade Expenses	800		
Salaries	500		
	30,000		30,000

Additional information :

- (i) Stock on 31-3-2010 is Rs. 8000
- (ii) Depreciate Machinery at 10%.
- (iii) Wages outstanding amounts to Rs. 50.
- (iv) Maintain a provision for doubtful debts @ 5% on debtors.

Prepare a Trading, Profit and Loss Account for the year ending 31st March, 2010 and a Balance Sheet as at that date.

(b) Pass necessary rectification entries for the following errors which were located after the preparation of Trial Balance but before preparation of Final Accounts : $2+2=4$

- (i) Sales Book undercast by Rs. 2000
- (ii) Goods returned to Mr. Phukan was entered in the day book but was not posted to the account of Mr. Phukan, Rs. 400.

(c) (i) What are the books of accounts to be maintained by a Company ? 4

Or

- (ii) "The Cash Book serves the purpose of both Journal and Ledger". Explain.