

(Please write your Exam Roll No.)

Exam Roll No

END TERM EXAMINATION

FIRST SEMESTER (BBA) January-2024

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

Time: 3 Hours

Maximum Marks: 60

Note: Attempt five questions in all including Q. no. 1 which is compulsory. All questions carry equal marks.

- Q1. Answer any five from the following:
- Difference between capital expenditure and revenue expenditure.
 - Give any three advantages of accounting.
 - What is intangible real account? Give two examples of such type of accounts.
 - Inflation accounting.
 - Difference between trade discount and cash discount.
 - What are reserves? Give any two characteristics of reserves.
 - What is a public company?
 - Convention of Conservatism.
- Q2 Evaluate the significance of adhering to Generally Accepted Accounting Principles (GAAP) in financial reporting. Discuss how the application of GAAP ensures transparency and comparability in financial statements.
- Q3 Journalise the following transactions for the year 2006 (Record the following transactions in a Journal)
- 15th June : Ishan a sole proprietor Commenced business with a capital of 4,00,000.
 - 17th June : Bought Furniture for cash 40,000.
 - 17th June : Paid Rent to the shop owner Mr. Mohan 5,000.
 - 18th June : Paid cash into bank 1,50,000
 - 18th June : Bought Goods for cash 10,000 from M/s Shamir Jain & Co.,
 - 18th June : Bought Goods on credit from M/s Ramdas & Brothers for 10,000.
 - 19th June : Sold goods for cash 22,000 to Mr. Naryan Tiwari
 - 20th June : Bought Machinery from M/s Boolani Machinery and paid by cheque 75,000.
 - 21st June : Sold goods on credit to Mr. Natekar for 8,000
 - 21st June : Paid weekly wages to workers 6,000
 - 24th June : Paid M/s Ramdas and Brothers by cheque 5,000
 - 24th June : Received from Mr. Natekar 2,000
 - 24th June : Received commission from M/s Orion Traders for giving a trade lead 500.

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Q4 From the following Trial Balance of Amrit Raj as on 31st December, 2021:

Particulars	Debit Rs.	Credit Rs.
Capital		25,000
Building	30,000	
Furniture	2,640	
Scooter	4,000	
Returns inward and outward	2,300	1,600
Stock on 1 st Jan 2021	8,000	
Purchase and Sales	33,800	56,040
Bad Debts	300	
Carriage inward	700	
General Expenses	1,200	700
Bad Debts Provision		5,000
Bank Loan		900
Interest on Bank Loan	300	
Commission		
Insurance and Taxes	2,000	
Scooter Expenses	2,600	
Salaries	4,400	
Cash in Hand	2,000	
Debtors and Creditors	3,000	8,000
Total	97,240	97,240

You are required to prepare Trading, Profit & Loss Account and Balance Sheet for the year ending 31st December, 2021 taking into account the following adjustments:-

- Closing Stock on 31-12-2021 was valued at Rs. 4,340.
 - Commission include Rs. 300 being Commission received in advance.
 - Salaries have been paid for 11 months.
 - Bank Loan has been taken at 10% p.a. interest.
 - Depreciate building by 5% and Scooter by 15%.
 - Write of Rs. 200 as further bad debts and maintain bad debts provision at 5% on debtors.
- Q5 "In case of a long term asset, repair and maintenance expenses are expected to rise in later years than in earlier year". Elaborate this statement. Explain both the methods of depreciation in detail.

Q6 Write short note on following:

- Human Resource Accounting
- Green Accounting
- Price Level Accounting
- Social Responsibility Accounting

Q7 The Plant and Machinery Account of a Company had a debit balance of Rs. 1,47,390 on 1st January, 2017. The Company was incorporated in 2014 and had been following the practice of charging full year's depreciation every year on Diminishing balance system @15%. In 2017 it was, however, decided to change the method from Diminishing to Straight Line with retrospective effect from 2014 and to give effect of the change while preparing the Final Account for the year ended 31st December, 2017, the rate of depreciation remaining same as before.

In 2017, new machineries were purchased at a cost of Rs. 50,000. All the other machineries were acquired in 2014. Show the Plant and Machinery Account from 2014 to 2017.

Q8 Ajanta Ltd. was registered with 40,000 shares @ ₹ 10 each and 10% premium. It invited applications for 30,000 shares payable as follows:

₹ 3 on Application

₹ 2 on Allotment (including premium)

₹ 2 on First Call

₹ 4 on Second & Final Call

The applications were received for 70,000 shares and the allotment was made as follows:

To Applicants for 15,000 shares: Full

To Applicants for 40,000 shares: 15,000

To Applicants for 15,000 shares: Nil

Excess money received on applications was utilized towards allotment and subsequent calls. Pass necessary journal entries assuming all the money was duly received.
