

END TERM EXAMINATION

FIRST SEMESTER [BBA] NOVEMBER-DECEMBER 2018

Paper Code: BBA-105 Subject: Financial Accounting and Analysis
(Batch 2017 Onwards)

Time: 3 Hours Maximum Marks: 75

Note: Attempt any five questions.

- Q1 (a) Differentiate between Book-Keeping and Accounting. (5)
 (b) "Accounting is an aid to Management". Comment. (10)

- Q2 What is meant by the term, 'Generally Accepted Accounting Principles'?
 Explain the meaning and significance of **any two** of the following:- (15)
 (a) The Going Concern Principle (b) Convention of Consistency
 (c) Matching Principle (d) Substance Over Form

- Q3 (a) Explain the Imprest System of Petty Cash. (5)
 (b) Prepare a two-columnar Cash Book from the following transactions of Shri Naresh Gupta. (10)

2016	Particulars	Rs.
Jan. 01	Cash in hand	2,000
Jan. 06	Cash purchases	2,000
Jan. 10	Wages paid	40
Jan. 11	Cash sale	6,000
Jan. 12	Cash received from Suresh	1,980
	Discount allowed	20
Jan. 19	Cash paid to Munna	2,470
	Discount received	30
Jan. 27	Cash paid to Radhey	400
Jan. 28	Purchased goods for cash	2,070

- Q4 (a) Distinguish between a Trial Balance and a Balance Sheet. (5)
 (b) The following are the extracts from the Trial Balance of a firm. (10)

TRIAL BALANCE
 As on 31st December, 2016

	Debit	Credit
Particulars	Rs.	Rs.
Sundry Debtors	30,000	
Bad Debts	5,000	

Additional Information:

- (i) After preparing the Trial Balance, it is learnt that a debtor Suresh has become insolvent and, therefore, the entire amount of Rs. 3,000 due from him was irrecoverable.
 (ii) Create 10% provision for bad and doubtful debts.
 You are required to pass necessary adjusting entries and show the items as these will appear in the firm's Balance Sheet.

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- Q5 A firm purchased a plant for Rs. 10,000 on 1.1.2013. It was charging depreciation at 10% p.a. according to the fixed installment method. At the end of 2016, the firm decided to change the method of depreciation from the Fixed Installment Method to the Diminishing Balance Method w.e.f. 1.1.2014. The rate of depreciation was to be at 12% p.a. You are required to prepare the Plant Account for the all these years ending 31st December, 2016 and also show how the depreciation item would appear in the Profit and Loss Account of the year 2016. (15)
- Q6 (a) Explain the utility of Price-level Accounting. (5)
 (b) Write a brief note on each **any two** of the following:- (10)
 (i) Social Responsibility Accounting
 (ii) Human Resource Accounting
 (iii) Green Accounting
- Q7 A holds 100 shares of Rs. 10 each on which he has paid Re 1 per share as application money.
 B holds 200 shares of Rs. 10 on which he has paid Re 1 on application and Rs. 2 on allotment.
 C holds 300 shares of Rs. 10 on which he has paid Re. 1 on application, Rs. 2 on allotment and Rs. 3 for the first call.
 They all fail to pay their arrears and the second call of Rs. 2 per share and the Directors, therefore, forfeited the shares. The shares of C were then reissued at Rs. 7 per shares as fully paid-up.
 Give the necessary journal entries to record the above transactions. (15)
- Q8 (a) Briefly state the functions of Stock Exchange. (5)
 (b) On 1st January, 2015, Neha Ltd. issued 2,500 10% debentures of Rs. 100 each at Rs. 95. Holders of these debentures have an option to convert their holding into 14% preference shares of Rs. 100 each at a premium of Rs. 25 per share at any time within three years.
 On 31st December, 2015, holders of 500 debentures notified their intention to exercise the option.
 Show the journal entries in relation to the issue and conversion of debentures in the books of the company. (10)

BBA-105
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