

S.NO: 22N1-BBE

Course Code: AUE

A.D.M.COLLEGE FOR WOMEN, NAGAPATTINAM

(AUTONOMOUS)

(BBA) Degree Examination

III Semester – November – 2022

CC V – FINANCIAL ACCOUNTING

Time: 3 hours

Maximum Marks: 75

Section –A

10X2=20

Answer **ALL** the Questions

1. Define Accounting.
2. Draw an Accounting Cycle.
3. What are of Subsidiary Books?
4. What is Trial Balance?
5. How Adjustment will help for Business Concern to take decision?
6. What is Non Trading concern?
7. List two characteristics of Non Trading Concern.
8. Depreciation =
9. Define Depreciation.
10. Mention any two causes of Depreciation.

Section -B

5X5=25

Answer **ALL** the Questions

11. a) Discuss about the Nature and Objective of Accounting.

(or)

b) State the accounts involved in the following transactions and which account is to be debited and which account is to be credited.

1.1.2021 Mr.X Commenced business with Rs.1,00,000

4.1.2021 Purchased Furniture for Rs.5,000

5.1.2021 Sold goods for cash Rs.5,000

6.1.2021 Sold goods to Raj for Rs.20,000

8.1.2021 Paid Salaries Rs. 10,000

15.1.2021 Purchased goods from Ram for cash Rs.9,000

20.1.2021 Commission Received Rs.800

25.01.2021 Paid Outstanding Expenses Rs.900

12. a) How will you rectify the following errors?

1) Purchases Book is overcast by Rs.20,000

2) Purchases Return Book is overcast by Rs.5000

3) Purchases Return Book's balance is carried forward in excess by Rs.500

4) Purchases Book Balance is carried forward in excess by Rs.1000

(or)

b) What is Double Entry System? Write in detail about advantages of Double Entry System.

13. a) Differentiate Trial Balance and Trading Account.

(or)

b) How Balance sheet helps the organization to take financial decisions.

14. a) Explain about the Merits and Demerits of Non Receipts and Payments Accounts.

(or)

b) Write about the Characteristics of income & expenditure account.

15. a) Describe the Factors Affecting Depreciation.

(or)

b) Anil purchased a machine on 1 Apr 2015 for ₹400000. The useful life of the machine is 3 years and its estimated residual value is ₹40000. At the end of its useful life, the machine is sold for 50000. Prepare the necessary ledger accounts in the books of Anil for the year ending 31st December every year. Use SLM.

Section –C
Answer any **THREE** Questions

3 X 10 = 30

16. Explain about the Accounting Concepts and Conventions in detail.

17. Journalize the following transactions, post them in the ledger and balance the accounts as on 31st December 2019

December 1 Rashmi started business with a capital of Rs. 50,000

December 2 She Purchased furniture for Rs.5000

December 3 Bought goods on credit from Vinod for Rs.8000

December 14 Sold goods to Suresh for Rs.5000

December 15 Received cash from Suresh Rs.3000

December 18 Purchased goods for cash Rs.12000

December 27 Sold goods for cash Rs.18000

December 28 Paid Rent Rs.1200

December 31 Paid Vinod Rs.3000 on account

18. From the following balances, prepare the trading and profit and loss account and balance sheet as on March 31, 2017.

Particulars	Debit	Particulars	Credit
Drawings	6,300	Capital	1,50,000
Cash at bank	13,870	Discount received	2,980
Bills receivable	1,860	Purchases return	1,450
Loans	15,000	Sales	2,81,500
Loan and Building	42,580	Reserve for bad debts	4,650
Furniture	5,130	Creditors	18,670
Discount allowed	3,960		
Bank charges	100		
Salaries	6,420		
Purchases	1,99,080		

Insurance	750		
Stock (opening)	60,220		
Sales return	1,870		
Carriage	5,170		
Rent and Taxes	7,680		
General expenses	3,630		
Plant and Machinery	31,640		
Book debts	82,740		
Bad debts	1,250		

Adjustments:

1. Closing stock Rs. 70,000
2. Create a reserve for bad and doubtful debts @ 10% on book debts
3. Insurance prepaid Rs. 50
4. Rent outstanding Rs. 150
5. Interest on loan is due @ 6% p.a.

19. Explain the procedure of income and expenditure account from receipt and payment account.

20. On April 1, 2006, a company purchases machinery worth Rs. 1,00,000 . On October 1, 2008, it purchased additional machinery worth Rs. 20,000 and spends Rs. 2,000 on its erection. The accounts are closed each year on March 31. Assuming the annual depreciation to be 10%, show the Machinery Account for 5 years under the straight line method.
