



\* R B - 1 7 1 3 / 3 5 0 0 \*

**RB-1713**

**First Year B. B. A. (Sem. II) Examination**

**April/May - 2010**

**Financial Accounting**

Time : Hours]

[Total Marks : 70

**Instructions :**

(1)

नीचे दशांशविक निशान्चीवाणी विगतो उत्तरवडी पर अवश्य लखवी.  
 Fillup strictly the details of signs on your answer book.

Seat No. :

Name of the Examination :

Name of the Subject :

Subject Code No. :     Section No. (1, 2,.....):

Student's Signature

- (2) Use of simple calculator is permitted.
- (3) Calculation should form part of the answer wherever necessary.
- (4) Figures to the **right** indicate marks of the question.

1 The following is the Trial Balance of Shri Ria as on 15 31st March, 2009 :

Particulars	Debit Rs.	Credit Rs.
Cash on hand	270	
Cash at Bank	5,315	
Deposits in Bank	1,000	
Interest on Bank deposits		100
Purchases	20,338	
Sales		49,290
Goods Returns (Credit)	340	
Goods Returns (Debit)		250
Wages and Freight etc.	5,240	
Coal and Power	2,365	

Bills Payable		450
Bills Receivable	500	
Packing expenses	1,600	
Carriage Inward	1,020	
10% Mortgage Loan		5,000
Interest on Mortgage Loan	200	
Stock of Goods (1st April, 2008)	2,880	
Buildings	15,000	
Land	4,500	
Machines	10,000	
Tools	3,750	
Salary (upto 28.2.09 paid)	7,150	
Printing and Stationery	450	
Postage and Telegram	200	
Purchases Expenses	400	
Trade Expenses	100	
Office Expenses	450	
Commission received		50
Discount		200
Insurance	300	
Drawings	7,622	
Capital		40,500
Creditors and Debtors	7,750	2,900
Total	<b>98,740</b>	<b>98,740</b>

Prepare Trading and Profit and Loss account as well as Balance Sheet taking into account the following adjustments :

- (i) The cost of closing stock is Rs. 3,400 but its market price is Rs. 3,500.
- (ii) Depreciate Machinery at 10%, Furniture and tools by 10% and 20% respectively.
- (iii) Write off Rs. 250 as bad debts from debtors.
- (iv) Commission due but not received Rs. 97.
- (v) Insurance Premium of Rs. 85 is paid on a policy upto 30.9.09

- (vi) Rs. 1000 spent on construction of bicycle shed for employees is included in wages.
- (vii) Maintain bad debts reserve at 5% on debtors and create reserve for discount on debtors and creditors at 2%.
- (viii) Goods worth Rs. 100 are distributed free as samples and goods worth Rs. 50 are given as charity.
- (ix) On 1.10.08 she brought her personal furniture worth Rs. 2500 in the business, which is not recorded in the books of account.

**2** Enter the following transactions in Purchase Book, **10**  
Sales Book and Returns Books of Payal Rathod.  
2009, Feb.

- 1 Purchased goods of Rs. 20,000 from Ankita at 10% trade discount and 5% cash discount. Half the goods was sold to Rishika at a profit of 20%.
- 2 Purchased from Rakshit furniture worth Rs. 1,000.
- 3 Rishika returned defective goods of Rs. 1,200 which in turn was returned to Ankita.
- 4 Priyanka placed an order with an instruction for supplying goods after three days Rs. 4,000. She instructed to send goods of Rs. 500 out of this to her customer Nirali and she sent to us an invoice of Rs. 600 to be sent to Nirali.
- 5 Jaya sold us goods worth Rs. 2,000.
- 6 Sold goods for cash to Jinal Rs. 3,000.
- 7 Returned defective furniture of Rs. 200 to Rakshit.
- 8 Delivered goods to Priyanka as per her order and also sent goods to her customer Nirali along with the invoice sent by Priyanka.
- 9 Placed an order with Rucha for supplying goods of Rs. 2,000 and gave her instruction that goods of Rs. 600 out of these, should be sent to our customer Ritu and we also sent an invoice for Rs. 750 to her to be sent to Ritu along with goods.

- 12 Rucha has executed our order.
- 14 Goods of Rs. 1,400 sent us by Rucha was defective and we asked for price reduction of 10% which she accepted and sent us a credit note for the amount.
- 15 Ritu has returned goods of Rs. 250 which we have directly returned to Rucha.

**OR**

- 2** Write the following transactions in Varsha Vyas's **three** **10**  
columnar cash book.

March 2009

- 1 Cash balance on hand Rs. 1000, B.O.D. Rs. 1500
- 2 Sold her own scooter for Rs. 5000 and invested Rs. 3500 in the business
- 4 Purchased from Salasar Furniture Mart a table for Rs. 500 and a cupboard for Rs. 3000.
- 6 Purchased goods worth Rs. 800 from Pravin Less 10% trade discount and 2 1/2% cash discount and paid 2/3rd amount by a cheque.
- 8 Received a cheque of Rs. 1500 for full settlement from Mahesh.
- 9 Paid into the bank the cheque received from Mahesh.
- 11 Sold goods worth Rs. 600 to Maharshi at 3% cash discount. In exchange in full settlement Maharshi gave a cheque which was deposited with the bank.
- 14 Since there was no balance in the account of Maharshi, the cheque given by him and deposited with bank was returned dishonoured and was handed over to him and cash was received in exchange.
- 20 Withdrew from bank Rs. 300 for office use and Rs. 200 for personal use.
- 21 The bank discounted at 6% a bill of exchange for Rs. 1000 due on 21st May 2009.
- 24 Paid Rs. 300 for income tax and Rs. 200 for sales tax by cheque.
- 31 Keeping Rs. 500 cash on hand banked remaining cash.

**RB-1713]**

**4**

**[Contd...**

- 3** Prepare Bank Reconciliation statement as on 28.2.09 of Vidya, on the basis of following causes and differences. **10**
- (i) Bank balance as on 1.2.09 as per cash book is Rs. 12,500.
  - (ii) Bank has paid Rs. 11,200 for bills payable which is recorded in cash book on 03.03.09 with Rs. 12,100.
  - (iii) A bill of Rs. 10,000 is sent for collection in the bank but still it is not collected.
  - (iv) Cheques of Rs. 35,200 were deposited in the month of February, out of which cheques of Rs. 5,200 were not credited in the month of February.
  - (v) Bank has debited Rs. 163 in passbook for commission which is recorded as Rs. 136 on the receipt side of the cash book.
  - (vi) Vidya has issued a cheque of Rs. 13,330 but in the passbook it is recorded as 1333.
  - (vii) Total of the payments side of cash book is over casted by Rs. 1300.
  - (viii) Bank has credited Rs. 125 for interest in passbook which is recorded in cash book for Rs. 152 in discount column.
  - (ix) Credit balance of cash book Rs. 1100 on 15.2.09 was recorded as debit balance by Rs. 900 on next day.
  - (x) Bank overdraft as per passbook as on 28.2.09 is Rs. 12,250.

**OR**

- 3** Give the vertical form of balance sheet as per schedule VI of the Company Act of 1956 with imaginary figures. **10**
- 4** Answer the following briefly : **10**
- (a) Explain briefly the terms : **3**
    - (i) Apprentice premium
    - (ii) Bad debt recovered
    - (iii) Fictitious assets.

- (b) What is contra entry? How will you do ledger posting of it? 2
- (c) Distinguish between capital expenditure and revenue expenditure. 2
- (d) The double entry system was presented in \_\_\_\_\_ A.D. by \_\_\_\_\_. 1
- (e) Explain the function keys : 2  
F2, F4, F5, F6

- 5 "Smarts" Club provides following information : 10
- (a) Receipt and payment account for the year ending on 31-12-08 :

Receipts	Rs.	Payments	Rs.
To Balance b/d	21,000	By Salary	39,000
To Subscription		By Rent and taxes	5,400
2007      540		By Stationary	2,700
2008    52,200		By sports equipments	
2009 <u>360</u>	53,100	(1.7.08)	18,000
To Income from enter- tainment programme	12,000	By Sundry expenses	6,000
To Annual interest on 12% Investment	3,600	By 12% Bank Deposits	
To Donations	6,000	(1.10.08)	15,000
		By Entertainment programme exp.	6,000
		By Balance c/d	3,600
	<b>95,700</b>		<b>95,700</b>

- (b) Additional Information :
- (a) There are 450 members of the club and they pay Rs. 120 as subscription per year.
  - (b) Outstanding salary on 31.12.07 was Rs. 3000 and on 31.12.08 it was Rs. 4500.
  - (c) Stationery stock as on 31.12.07 was Rs. 300 and on 31.12.08 it was of Rs. 450.

- (d) On 31.12.07 sports equipments were of Rs. 30,000 and on 31.12.08 they were of Rs. 42,000.
- (e) The opening capital fund is Rs. 78,840.

Prepare :

- (a) Income and Expenditure Account for the year ending on 31-12-08
- (b) Balance sheet as on 31-12-08
- (c) Balance sheet as on 1.1.08.

**OR**

- 5 (a) Explain the advantages of using tally software in accounting. 5
- (b) Explain the various options in the menu of gateway of tally. 5
  
- 6 Write short notes : (any **three**) 15
  - (i) Characteristics of Non trading concern.
  - (ii) Objectives of Depreciation.
  - (iii) Causes of difference between pass book and cash book balances.
  - (iv) Convention of full disclosure
  - (v) Going concern concept.