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Total No. of Questions : 7]

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B.B.A. (Part-III) DUE Ist Year Examination, 2021

FINANCIAL ACCOUNTING

Paper - BBA-102

Time : 1½ Hours]

[Maximum Marks : 70

Section-A

(Marks : 2 × 10 = 20)

Note :- All the *ten* questions are compulsory. Each question is to be attempted in **50** words. Each question carries **2** marks.

Section-B

(Marks : 10 × 3 = 30)

Note :- Answer any *three* questions out of *five*. Each question is to be attempted in **500** words. Each question carries **10** marks.

Section-C

(Marks : 20 × 1 = 20)

Note :- *One* question based on case study is compulsory and carries **20** marks.

Section-A

2 each

1. Explain the following :

- (i) Balance Sheet
- (ii) Capital Expenditures
- (iii) Fictitious Assets
- (iv) Provisions

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- (v) Journal
- (vi) Difference between trading account and profit and loss account
- (vii) Consignment accounts
- (viii) Loss by fire
- (ix) Errors in trial balance
- (x) Financial Accounting

Section-B

2. Delhi head office has branch at Mumbai. Goods are invoiced to branch at cost plus 20%. From the following details prepare necessary accounts in the books of head office. Use debtors method :

	(₹)
Opening balance of stock at invoice price	6,000
Goods sent to branch at invoice price	80,000
Total sales	76,000
Cash sales	30,000
Cash received from debtors	40,000
Branch debtors in the beginning of the year	6,000
Goods returned by branch to head office at invoice price	2,000
Sales returns	1,000
Closing stock with branch at invoice price	8,100
Discount allowed	1,000
Branch expenses paid by H.O.	5,000

3. Write short notes on following :
- (a) Stock and debtors method of branch accounts.
 - (b) How a trial balance of foreign branch is converted in the home currency of head office ? Give example.

4. How fixed assets are expensed ? Explain any *two* methods of showing fixed assets as an expense. Give example.
5. On April 1, 2014, a machine was purchased for ₹ 2,00,000 and ₹ 30,000 was spent on its installation. Estimated salvage value of the machine at the end of its useful life of 6 years is 20,000. On 1st October, 2016 one more machine was purchased for ₹ 80,000 and ₹ 20,000 was spent on its installation.
- On 1st July, 2017 the machine which was purchased on April 1, 2014 was sold for ₹ 1,40,000.
- Show machine account and provision for depreciation account and asset disposal account for the year from 2014 to 2018.
6. What is trial balance ? Why is it prepared ? Why it does not agree sometimes ? Explain.

Section–C

(Compulsory Question)

7. On 10th October, 2011 the fire occurred in the premises of Naman. All stock except to the extent of ₹ 12,400 was destroyed. Naman always values the stock at cost less 10%. Stock was insured for ₹ 50,000. From the following figures, ascertain the loss of stock by fire suffered by Naman, also find out amount of claim :

	(₹)
Stock on 1st January, 2010	72,000
Purchase less returns during 2010	2,80,000
Sales less returns during 2010	4,00,000
Stock on 31st December, 2010	45,000
Purchase less return from 1st January, 2011 to the date of fire	2,92,000
Sales less return from 1st January, 2011 to the date of fire	3,20,000