



Shiksha Mandal, Wardha's

**G. S. College of Commerce & Economics, Nagpur**

An Autonomous Institution

(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)

First Semester Bachelor of Business Administration Examination (CBCS)

**FINANCIAL ACCOUNTING – I**

(BBAC 1.1)

Time: 3 Hours

Maximum Marks: 80

Note: All Questions are compulsory.

Q.1 A) Journalise the following transactions in the books of Cloth Merchant Kamla: 10

2018:

- Jan 1 – Deposited with bank in fixed deposit Account ₹ 500 and in Current Account ₹ 2,500.
- Jan 2 – Purchased goods and paid by cheque ₹ 500.
- Jan 3 – Salary paid by cheque ₹ 250.
- Jan 4 – Sold goods to Chhedilal ₹ 500.
- Jan 5 – Received cheque from Cheddilal ₹ 500.
- Jan 6 – Chedilal's cheque deposited into bank
- Jan 7 – Sold goods to Anil Kumar and received cheque ₹ 500.
- Jan 8 – Anil Kumars cheque endorsed to Vinod Kumar.
- Jan 9 – Received Bank Draft from Sushil Kumar ₹ 250.
- Jan 10 – Anil Kumar's cheque returned dishonoured.

OR

B) Pass necessary journal entries for following errors:

- (i) Credit sale to Subhash ₹ 800 has been recorded in Purchase Book.
- (ii) Goods returned to Sushil ₹ 60 has been recorded in Return Inward Book.
- (iii) A crossed cheque for ₹ 200 received from Kishan, was not recorded.
- (iv) Goods purchased from Nandan and Co. ₹ 3,200 has been recorded in Sales Book.
- (v) Material purchased for making loose tools ₹ 800 and wages paid ₹ 150, were recorded in debit side of Purchase Book and Wages Account respectively.
- (vi) Goods returned by Motilal ₹ 80 has been recorded in Returns Outward Book.

Q.2 A) Ramesh's Cash Book showed a bank overdraft of ₹ 49350/- on 30<sup>th</sup> Sept, 2002. On 10

comparing Cash Book with the Pass Book following information were received:

Out of cheques which were issued by Ramesh on 20<sup>th</sup> Sept, 2002, cheques of ₹ 3,700 were presented to bank on 2<sup>nd</sup> Oct, 2002 for payment and a crossed cheque of ₹ 750 issued to Abdulla was returned by him and in exchange for it a bearer cheque issued to him on 1<sup>st</sup> Oct, 2002. Cheques amounting to ₹ 3,400 were deposited in the bank on 29<sup>th</sup> Sept, 2002 but bank had credited on 1<sup>st</sup> Oct, 2002 cheques for ₹ 1,300 only and one cheque of ₹ 250 was dishonoured and returned by them. According to Ramesh's standing

orders the bank had paid to his creditors' interest ₹ 320 on 30<sup>th</sup> Sept, 2002, his quarterly policy premium ₹ 160 and second call of ₹ 600 on shares subscribed for by him. Bank received dividend on Ramesh's shares ₹ 150 and received insurance claim money ₹ 800 on his behalf. On all these bank expenses amounted to ₹ 15. On receipt of these information's Ramesh made necessary entries in his cash book on 1<sup>st</sup> Oct, 2002. His bank had wrongly credited ₹ 500 and wrongly debited ₹ 300 to his account.

Prepare Bank Reconciliation Statement as on 30<sup>th</sup> Sept, 2002 in the books of Ramesh.

OR

B) A credit balance of ₹ 12,000 appeared in Soham's Pass Book on 31<sup>st</sup> December, 2002. On 26<sup>th</sup> December, he issued cheques for ₹ 3000. Out of these, cheques for ₹ 1,800 only were presented to the bank for payment. Bank has debited his account with ₹ 20 for expenses and credited it with ₹ 170 for interest. Soham had received from a customer cheque for ₹ 320, which he omitted to send to bank although it was entered in bank column a cash book, while another cheque of ₹ 500 though not recorded in the Cash Book, was sent bank and its amount has been duly credited to Soham's account. On 27<sup>th</sup> December a cheque of ₹ 1600 was sent to Bank for collection but it was credited for till 31<sup>st</sup> Dec.

Prepare Bank Reconciliation Statement.

Q.3 A) Following is the Trial Balance of Albhushan Bhandari Co. Ltd. as on 31<sup>st</sup> March, 2014.

Particulars	Amount ₹	Particulars	Amount ₹
Land & Building	1,75,000	Paid up share capital (Divided in	
Plant & Machinery	80,000	30,000 shares of ₹ 10 each)	3,00,000
Loose Tools	20,000	Sundry creditors	45,000
Stock (1.4.2013)	75,000	Bills Payable	19,716
Sundry debtors	80,000	Return outwards	1,950
Carriage Inward	1,500	Sales	3,00,000
Carriage Outward	1,650		
Rent, Rates & Taxes	2,000		
Salaries	16,000		
Purchases	75,000		
Repairs	2,500		
Furniture	15,000		
Bills Receivable	30,000		
Printing & Stationary	1,200		
Bad debts	2,950		
Coal, gas & water	750		
Motive power	5,900		
Cash in hand	2,216		
Cash at bank	80,000		
	6,66,666		6,66,666

10

Adjustments:

- (i) Stock on 31<sup>st</sup> March, 2014 was valued at cost price ₹ 78,000 and market price of ₹ 80,000.
  - (ii) Outstanding expenses : Rent & Taxes ₹ 1500, Salaries ₹ 2000
  - (iii) Provide depreciation 6% on plant & machinery and 20% on furniture.
  - (iv) Provide RDD 5% on sundry debtors.
  - (v) Transfer ₹ 12,200 to general reserve.
  - (vi) The Board of Directors had declared dividend of 8% on paid up share capital.
- You are required to prepare Trading and Profit & Loss Account and Profit & Loss Appropriation Account for the year ended 31<sup>st</sup> March 2014.

OR

B) After preparing Profit and Loss Account for the year 2013-14, following balances were available in the books of Rosewood Co. Ltd.

Particulars	₹
Paid up share capital	49,50,000
Stock	21,04,600
Postal stamp and stationary on hand	10,800
14% Debentures	20,00,000
Debtors	12,50,000
Creditors	6,98,000
Bank overdraft	20,00,000
Premises	25,00,000
Plant	50,00,000
Preliminary Expenses	1,99,000
Cash in hand	2,09,600
Profit and Loss A/c (Cr)	16,26,000

Prepare Balance Sheet as on 31<sup>st</sup> March 2014 after providing for doubtful debts ₹ 25,000 and writing off preliminary expenses completely as they were left out.

Q.4 A) A company offers 10,000 shares to the public. The amount payable is as follows:

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On application ₹ 3 per share

On Allotment ₹ 2 per share

On 1<sup>st</sup> call ₹ 3 per share

On Final call ₹ 2 per share

Applications are received for 15,000 shares. The Directors make the allotment as follows:

(i) No allotment to applicants for 3,000 shares

(ii) Rest allotted on a pro-rata basis

All calls were duly made and paid except:

a) A, a holder of 100 shares paid the two calls with allotment in advance.

b) B, a holder of 200 shares fails to pay the 1<sup>st</sup> and the 2<sup>nd</sup> calls.

c) C, a holder of 100 shares fails to pay the 2<sup>nd</sup> call.

Pass the necessary journal entries to record the above transactions in the company's books.

OR

B) A company offers 10,000 shares of ₹ 10 each to the public for subscription at ₹ 12 per share. Money is payable as follows:

₹ 3 on application

₹ 4 on allotment (including ₹ 1 as premium)

₹ 5 on call (including ₹ 1 as premium)

Applications are received for 15,000 shares. No allotment is made to applicants for 3,000 shares and their application money is refunded. Rest are allotted shares on pro-rata basis. All allottees pay the money due on shares as and when called up.

Pass necessary journal entries in the books of the company.

Q.5 Answer the following questions in about 75-100 words: (Any Two)

08

A) Explain the meaning and scope of Accounting.

B) Differentiate between Capital and Revenue expenditure with examples.

C) What are Accounting Standards? Explain its objectives.

Q.6 Answer the following questions in about 75-100 words: (Any Two)

08

A) State the reasons of difference between Bank Book Balance and Balance as per Bank Pass Book.

B) What is Bank Reconciliation Statement? Explain the need of preparing Bank Reconciliation Statement.

C) Draw suitable performa of Bank Reconciliation Statement.

Q.7 Answer the following questions in about 75-100 words: (Any Two)

08

A) What do you understand by a Joint Stock Company? What includes the financial statements of a Joint Stock Company?

B) Write Asset side of Balance Sheet as per Schedule III part I of Companies Act, 2013.

C) What do you mean by Reserves and Surplus? Explain the classification of reserves and surplus.

Q.8 Answer the following questions in about 75-100 words: (Any Two)

08

A) What is a Share? Explain essential features of equity share.

B) Explain the classification of Equity Share Capital.

C) What do you understand by the term 'Forfeiture' of share? Write accounting entry for forfeiture of shares.

Q.9 Answer the following questions in three to four sentences:

08

A) What is Revenue Receipt?

B) What do you mean by 'Overdraft' as per Bank Pass Book?

C) Define 'Company' as per Companies Act, 2013.

D) Write one difference between Equity Share and Preference Share.

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