



0232/3045/1604/1704

**I Semester 5 Year B.B.A.LL.B./B.Com.LL.B./II Semester 5 Year
B.B.A.LL.B./B.Com.LL.B. Examination, January/February 2025 (Odd Sem.)
FINANCIAL ACCOUNTING**

Duration : 3 Hours

Max. Marks : 100

- Instructions :**
- 1. Answer Q. No. 9 and any five of the remaining questions.**
 - 2. Q. No. 9 carries 20 marks and remaining questions carry 16 marks each.**
 - 3. Answer should be written in English completely.**
 - 4. Use simple calculator.**

Q. No. 1. What is double entry system of book keeping ? Explain its advantages and limitations. Marks : 16

Q. No. 2. Journalise the following transactions in the books of Bhuvan Traders. Marks : 16
2022

- | | |
|---------|---|
| Jan. 01 | Bhuvan started his business with cash of ₹ 1,00,000 |
| Jan. 02 | Opened a bank account with SBI and deposited a cash of ₹ 30,000 |
| Jan. 04 | Purchased goods from Asha ₹ 20,000 |
| Jan. 06 | Sold goods to Rahul for cash ₹ 15,000 |
| Jan. 10 | Bought goods from Tara for cash ₹ 15,000 |
| Jan. 13 | Sold goods to Suman ₹ 20,000 |
| Jan. 16 | Received a cheque ₹ 19,500 from Suman and allowed him discount of ₹ 500 |
| Jan. 20 | Cheque issued to Asha ₹ 10,000 |
| Jan. 23 | Rent paid by cheque ₹ 2,000 |
| Jan. 24 | Cash deposited into bank ₹ 16,000 |
| Jan. 25 | Machines purchased from HMT Ltd. ₹ 10,000 |
| Jan. 26 | Trade expenses paid in cash ₹ 2,000 |
| Jan. 27 | Cheque issued to HMT Ltd. ₹ 10,000 |
| Jan. 29 | Telephone expenses paid by cheque ₹ 1,200 |
| Jan. 31 | Paid salary ₹ 4,500. |

Q. No. 3. Prepare three column cash book from the following transactions. Marks : 16
2022

- | | |
|---------|------------------------|
| Jan. 01 | Cash in hand ₹ 4,000 |
| | Bank overdraft ₹ 3,200 |
| Jan. 05 | Cash sales ₹ 9,000 |

P.T.O.



- Jan. 09 Purchased goods and paid by cheque ₹ 2,000
 Jan. 09 Purchased furniture for cash ₹ 2,200
 Jan. 11 Cash paid to Mr. Rohit ₹ 2,000
 Jan. 14 Cash deposited into bank ₹ 7,000
 Jan. 16 Bank charged interest on overdraft ₹ 200
 Jan. 25 Sale of goods and received a cheque of ₹ 3,000
 Jan. 27 Rent paid by cheque ₹ 800
 Jan. 28 Paid wages by cheque ₹ 500
 Jan. 29 Drew cash for personal use ₹ 500
 Jan. 30 Paid salary ₹ 1,000
 Jan. 31 Interest collected by bank ₹ 1,700.

Q. No. 4. Journalise the following transactions in the books of Mr. Suresh and prepare Cash A/c, Bank A/c, Sales and Furniture A/c. Marks : 16
 2023

- Mar. 01 Started business with following :
 Cash ₹ 10,000
 Goods ₹ 20,000
 Furniture ₹ 10,000
 Mar. 05 Purchased goods from Asha on credit ₹ 10,000
 Mar. 07 Paid into bank ₹ 12,000
 Mar. 08 Sold goods for cash ₹ 8,000
 Mar. 10 Paid cash to Asha ₹ 9,800 in full settlement of her account
 Mar. 12 Sold goods to Naveen on credit ₹ 20,000
 Mar. 15 Purchased furniture and paid by cheque ₹ 4,000
 Mar. 18 Received cash from Naveen ₹ 19,500 and allowed him discount ₹ 500
 Mar. 28 Withdrew cash for office use ₹ 2,000.

Q. No. 5. From the following Trial Balance prepare Trading and Profit and Loss A/c and Balance Sheet as on 31/Mar./2023. Marks : 16

| Particulars | Dr. ₹ | Cr. ₹ |
|----------------------|----------|----------|
| Drawings and capital | 6,000 | 1,50,000 |
| Cash at bank | 14,000 | |
| Bills receivable | 2,000 | |
| Land and building | 43,000 | |
| Furniture | 5,000 | |
| Discount allowed | 4,000 | |
| Discount received | | 3,000 |



| | | |
|----------------------------------|-----------------|-----------------|
| Bank charges | 500 | |
| Salaries | 6,500 | |
| Purchases and sales | 2,00,000 | 2,82,000 |
| Stock (opening) | 60,000 | |
| Sales return and purchase return | 2,000 | 1,000 |
| Provision for bad debts | | 4,000 |
| Carriage | 5,000 | |
| Rent and taxes | 7,500 | |
| General expenses | 3,500 | |
| Plant and machinery | 31,000 | |
| Book debts and creditors | 82,000 | 20,000 |
| Loans | | 15,000 |
| Bad debts | 1,000 | |
| Insurance | 2,000 | |
| | 4,75,000 | 4,75,000 |

Adjustments :

- 1) Closing stock ₹ 70,000.
- 2) Create a provision for bad and doubtful debts @ 10% on book debts.
- 3) Insurance prepaid for ₹ 500.
- 4) Rent outstanding ₹ 1,500.
- 5) Interest on loan is due @ 6% p.a.

Q. No. 6. Explain the advantages and limitations of computerized accounting.

Marks : 16

Q. No. 7. The following is the Receipt and Payment A/c of Mangalore Literary Club for the year ended 31st Dec. 2023.

Marks : 16

| Receipts | Amount | Payments | Amount |
|--------------------------|---------------|--------------------|---------------|
| | ₹ | | ₹ |
| To Bal. b/d | 319 | By Rent and rates | 168 |
| " Subscriptions | 16,000 | " Wages | 245 |
| " Donations | 4,200 | " Lighting charges | 72 |
| " Life membership fee | 2,500 | " Lecturer's fees | 435 |
| " Interest | 260 | " Books | 213 |
| " Proceeds from Lectures | 420 | " Office expenses | 450 |
| | | " Fixed deposits | 8,000 |
| | | " Cash in hand | 1,000 |
| | | " Cash at bank | 13,116 |
| | 23,699 | | 23,699 |



At the beginning of the year, the club possessed books worth ₹ 2,000 and furniture worth ₹ 850 subscriptions in arrears at the beginning of the year amounted to ₹ 35 and at end of the year ₹ 45 and rent and rates outstanding at the beginning of the year amounted to ₹ 60 and at the end of year ₹ 50.
Prepare Income and Expenditure Account of the club for the year 31st Dec. 2023 and its Balance Sheet as on that date after writing ₹ 150 off books and ₹ 50 off furniture.

Q. No. 8. Write a short note on **any two** of the following : Marks : 2×8=16

- Accounting standards.
- Computerised accounting.
- Final accounts of non-trading concern.

Q. No. 9. Answer **any two** of the following : Marks : 2×10=20

- How do you treat the following items in the final accounts of non-trading organization ?

- Honorarium
- Subscription
- Life membership fees
- Legacy
- Entrance fee
- Sale of old newspapers
- Cost of maps purchased by college
- Donations
- Endowment fund
- Painting of old building.

- Enter the following transactions in the proper subsidiary books.

2023

Jan. 1 Purchased goods from Sharath ₹ 3,500

Jan. 2 Bought from Kiran ₹ 4,500 on account less 5% discount

Jan. 4 Sold goods to Ashwin ₹ 4,500

Jan. 7 Sold goods to Sunder ₹ 4,000

Jan. 12 Credit sales to Raju and Sons ₹ 15,000

Jan. 15 Credit purchases from Anand ₹ 10,000

Jan. 18 Dinesh bought from us on account ₹ 5,000

Jan. 24 Cash sales to Vinay ₹ 3,000

Jan. 25 Bought 15 units from Jayanth @ ₹ 200 per unit.

Jan. 30 Purchase from Raghu ₹ 4,000.

- Explain the various types of accounting software and its merits.