



6004/7004

**First Semester 5 Year B.B.A. LL.B. /B.Com. LL.B.  
Examination, June/July 2025 (Even Sem.)  
FINANCIAL ACCOUNTING**

Duration : 3 Hours

Max. Marks : 80

- Instructions :**
1. Answer all five Units.
  2. One essay type questions and short note/problems is compulsory from each Unit.
  3. Figures to the right indicate marks.
  4. Answer should be written either in English or Kannada completely.

**UNIT – I**

Q. No. 1. (a) Define accounting. Explain concepts of accounting. Marks : 10

**OR**

Q. No. 1. (a) What is book keeping ? How does it differs from accounting ? Marks : 10

Q. No. 1. (b) Write a short note on accounting standard. Marks : 6

**OR**

Q. No. 1. (b) Write a short note on limitations of accounting. Marks : 6

**UNIT – II**

Q. No. 2. (a) Journalise the following transactions for the month of Dec. 2022. Marks : 10

- Dec. 1 Ajit started business with cash Rs. 40,000  
3 He paid into the Bank Rs. 20,000  
5 He purchased goods for cash Rs. 15,000  
8 He sold goods for cash Rs. 6,000  
10 He purchased furniture and paid by cheque Rs. 5,000  
12 He sold goods to Arvind Rs. 4,000  
15 He purchased goods from Hari Rs. 10,000  
16 He returned goods to Hari Rs. 5,000  
18 He received from Arvind Rs. 3,960 in full settlement  
20 Cash paid to Hari in full settlement Rs. 4,900  
28 Paid rent Rs. 1,500 and salaries Rs. 2,000.

**OR**

Q. No. 2. (a) Record the following transactions in the three columnar cash book. Marks : 10

- 2022 Jan. 1 Balances : Cash Rs. 5,000; Bank Rs. 12,000  
5 Deposited Rs. 8,000 in the bank  
8 Received from Raaga Rs. 890; allowed discount Rs. 5

**P.T.O.**



- 12 Paid to Ganesh Rs. 1,200 who allowed discount of Rs. 100
- 15 Bought goods for cash Rs. 700
- 17 Sold goods for cash Rs. 1,000
- 18 Purchased furniture by cheque Rs. 1,500
- 22 Paid commission Rs. 150 by cheque
- 27 Withdrew for personal use Rs. 300
- 31 Paid manager's salary Rs. 350 and rent Rs. 200.

Q. No. 2. (b) Write a short note on preparing a Trial Balance.

Marks : 6

OR

Q. No. 2. (b) Record the following transactions in appropriate subsidiary books.

Marks : 6

- 2022 Mar.1 Purchased from Hari and Co. on credit
  - 30 pens @ Rs. 10
  - 20 Pencil box @ Rs. 20
- Mar. 4 Sold to Kumar and Co.
  - 10 pens @ Rs. 20
  - 16 Pencil box @ Rs. 30
- Mar. 6 Purchased from Arun and Co. on credit
  - 30 Eraser @ Rs. 20 less 10% trade discount
- Mar. 10 Sold goods to Gopal and Co.
  - 10 ballpoint pens @ Rs. 50 less 10% trade discount
- Mar. 15 Stationery worth Rs. 600 returned to ABC and Co.

### UNIT – III

Q. No. 3. (a) The following balances were extracted from the books of A and Co. on 31<sup>st</sup> March 2022.

Marks : 10

| Particulars         | Dr.<br>(Rs.) | Cr.<br>(Rs.) |
|---------------------|--------------|--------------|
| Capital             |              | 80,000       |
| Drawings            | 10,000       |              |
| General expenses    | 5,240        |              |
| Building            | 52,000       |              |
| Machinery           | 38,000       |              |
| Stock               | 22,400       |              |
| Coal and power      | 5,400        |              |
| Taxes and insurance | 2,600        |              |
| Wages               | 14,400       |              |
| Sundry debtors      | 12,400       |              |
| Sundry creditors    |              | 15,000       |
| Discount            | 1,000        | 1,200        |
| 10% loan            |              | 15,000       |
| Sales               |              | 1,60,800     |
| Purchases           | 94,000       |              |
| Furniture           | 23,000       |              |
| Bills payable       |              | 10,500       |
| Commission          |              | 2,400        |
| Salaries            | 13,600       |              |
| Cash in hand        | 460          |              |
| Bank overdraft      |              | 9,600        |
|                     | 2,94,500     | 2,94,500     |



Prepare the final accounts for the year ended 31<sup>st</sup> Mar. 2022 after giving effect to the following adjustments.

- (1) Stock on 31<sup>st</sup> Mar. was valued at Rs. 54,000
- (2) Outstanding salaries Rs. 1,400
- (3) Unexpired insurance Rs. 100
- (4) Write off Rs. 400 as Bad debts and maintain the provision for the bad debts at 5% on debtors
- (5) Depreciate building by 5%, machinery by 5% and furniture by 10%.

OR

Q. No. 3. (a) Prepare the Trading and Profit and Loss account and Balance Sheet as on 31<sup>st</sup> Dec. 2022 after making the following adjustments :

Marks : 10

- (1) Stock on 31<sup>st</sup> Dec. 2022 was valued at Rs. 22,400.
- (2) Depreciate motor truck by 20% and furniture by 5%.
- (3) Maintain provision for doubtful debts at 5% on debtors.
- (4) Outstanding salaries Rs. 1,000.

| Trial Balance       |                 |                 |
|---------------------|-----------------|-----------------|
| Particulars         | Dr.<br>(Rs.)    | Cr.<br>(Rs.)    |
| Capital             |                 | 1,00,000        |
| Creditors           |                 | 29,500          |
| Bills payable       |                 | 7,300           |
| Sales               |                 | 1,82,600        |
| Salaries            | 19,600          |                 |
| Cash at bank        | 16,500          |                 |
| Cash in hand        | 1,700           |                 |
| Purchases           | 1,22,200        |                 |
| Interest            |                 | 1,700           |
| Motor truck         | 62,000          |                 |
| Furniture           | 24,000          |                 |
| Debtors             | 33,000          |                 |
| Opening stock       | 14,500          |                 |
| Bills receivable    | 5,600           |                 |
| Carriage inwards    | 1,500           |                 |
| Carriage outwards   | 900             |                 |
| General expenses    | 5,600           |                 |
| Insurance           | 800             |                 |
| Bad debts           | 900             |                 |
| Travelling expenses | 600             |                 |
| Discount            | 1,200           |                 |
| Sales returns       | 500             |                 |
| Investments         | 10,000          |                 |
|                     | <b>3,21,100</b> | <b>3,21,100</b> |

Q. No. 3. (b) Difference between Profit and Loss a/c and Balance Sheet.

Marks : 6

OR

Q. No. 3. (b) Write a short note on Trading account.

Marks : 6





## UNIT – IV

- Q. No. 4. (a) Distinguish between Receipts and Payments A/c and Income and Expenditure A/c.

Marks : 10

OR

- Q. No. 4. (a) From the following receipts and payments and information given below, prepare income and expenditure account and Balance Sheet of literacy organisation as on 31<sup>st</sup> Dec. 2022.

Marks : 10

**Receipts and payments a/c for the year ending 31<sup>st</sup> Dec. 2022**

| Receipts                | Rs.    | Payments              | Rs.    |
|-------------------------|--------|-----------------------|--------|
| Balance b/d :           |        | General expenses      | 3,200  |
| Cash in hand            | 4,000  | News paper            | 1,850  |
| Cash at bank            | 15,550 | Electricity           | 3,000  |
| Subscription 2021       | 1,200  | Fixed deposit with    |        |
| 2022                    | 26,500 | bank @ 10% p.a.       | 18,000 |
| 2023                    | 500    | (On 31-06-2022)       |        |
| Sale of old newspapers  | 1,250  | Books                 | 7,000  |
| Govt. grant             | 12,000 | Salary                | 3,600  |
| Sale of old furniture   | 3,700  | Rent                  | 6,500  |
| (Book value Rs. 5,000)  |        | Postage charges       | 300    |
| Interest received on FD | 450    | Furniture (Purchased) | 10,500 |
|                         |        | Balance c/d :         |        |
|                         |        | Cash on hand          | 3,000  |
|                         |        | Cash at Bank          | 8,200  |
|                         | 65,150 |                       | 65,150 |

**Information :**

- (1) Subscription outstanding as on 31<sup>st</sup> Dec. 2021 Rs. 2,000 and on 31<sup>st</sup> Dec. 2022 Rs. 1,500.
- (2) On 31<sup>st</sup> Dec. 2022 salary outstanding Rs. 600 and one month rent paid in advance.
- (3) On 1<sup>st</sup> Jan. 2021 organisation owned furniture Rs. 12,000, books Rs. 5,000.

- Q. No. 4. (b) Write a short note on capital fund. How it is calculated ?

Marks : 6

OR

- Q. No. 4. (b) Show the treatment of the following items by non-profit organisation.

Marks : 6

- (1) Annual subscription
- (2) Sale of sport materials
- (3) Specific donation
- (4) Sale of fixed assets

## UNIT – V

- Q. No. 5. (a) "Computerised accounting systems are best form of accounting system". Do you agree ? Comment.

Marks : 10

OR

- Q. No. 5. (a) Define a computerised accounting system. Distinguish between a manual and computerised accounting system.

Marks : 10

- Q. No. 5. (b) Write a short note on limitations of computerised accounting systems.

Marks : 6

OR

- Q. No. 5. (b) Write short note on customised accounting software.

Marks : 6