# 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 |

| | |
|---|---|
| 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 :<br>Cash ₹ 10,000<br>Goods ₹ 20,000<br>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.**<br>₹ | **Cr.**<br>₹ |
|---|---|---|
| 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

(a) Accounting standards.

(b) Computerised accounting.

(c) Final accounts of non-trading concern.

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

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

(i) Honorarium
(ii) Subscription
(iii) Life membership fees
(iv) Legacy
(v) Entrance fee
(vi) Sale of old newspapers
(vii) Cost of maps purchased by college
(viii) Donations
(ix) Endowment fund
(x) Painting of old building.

(b) 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. |

(c) Explain the various types of accounting software and its merits.