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BBA 181203

Roll No. of candidate

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2022

BINA CHOWDHURY CENTRAL LIBRARY  
(G.M.T. & G.P.S.)  
Azara, Hakhowrapara,  
Guwahati-781017

B.B.A. 2<sup>nd</sup> Semester End-Term Examination

FINANCIAL ACCOUNTING

Full Marks – 70

Time – Three hours

The figures in the margin indicate full marks  
for the questions.

Question No. 1 is compulsory and answer any *four* from the rest.

1. State true or false : (10 × 1 = 10)
- (i) Advertisement is a Nominal Account.
  - (ii) Cash book is a journal in ledger form.
  - (iii) According to Dual Aspect Concept, every transaction has a single effect.
  - (iv) Depreciation is decrease in the value of current assets.
  - (v) Carriage Inward is charged to Profit and Loss A/c.
  - (vi) Profit and Loss A/c shows the Gross profit.
  - (vii) Ledger is the primary book of entry.
  - (viii) According to Nominal A/c, debit means "The Receiver".
  - (ix) Amount withdrawn by the owner for personal use is called capital.
  - (x) Under SLM of charging depreciation, the amount of depreciation p.a. reduces continuously.
2. (a) Discuss the qualitative features of Accounting Information. (5)
- (b) "Accounting is the art and science of recording business transactions." – Explain. What are the objectives of Accounting? (6+4=10)

[Turn over

3. The following information is supplied to you of Harish Enterprise –

01.01.2016 - Purchased a machinery of Rs. 40000 and spent Rs. 10000 on its installation.

30.06.2017 - Purchased another machinery of Rs. 28000.

01.10.2018 - Purchased a new machinery for Rs. 32000.

The year of closing the books of accounts is 31<sup>st</sup> December every year. The rate of depreciation on all the plants is 10% p.a. under written down value method. Show appropriate working notes and

(a) Calculate the year wise depreciation up to 31.12.2019. (10)

(b) Prepare Plant and Machinery Account. (5)

4. (a) Pass journal entries in the books of M/s Lalmati Stores with appropriate narration for the month of January, 2020 – (10)

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Jan 01 - Started business by the proprietor with a cash of Rs. 31000 and bank balance of Rs. 23000.

Jan 03 - A plant purchased of Rs 4200, payment made Rs 2000 in cash and remaining by cheque.

Jan 08 - Paid salary of Rs. 1000 and Wages Rs. 1500 in cash.

Jan 10 - Purchased goods from Mr. Shyam of Rs. 2500 where as payment made in cheque.

Jan 14 - Received commission 1860 by cheque from Ganesh.

Jan 18 - Sold goods to Jagmohan of Rs. 3800 on credit.

Jan 22 - Cash received from Jagmohan for the amount due from him.

Jan 27 - Cash deposited into the bank of Rs. 3100.

Jan 29 - Cash withdrawn from the bank by the owner of Rs. 1300 for personal use and Rs. 2200 for business use respectively.

Jan 31 - Cash withdrawn by the owner from the business for personal use Rs. 1000.

(b) Write the difference between Book Keeping and Accounting. (5)



5. The following is the Trial Balance is related to Mr. Ramesh Kalita as on 31-03-2022 –

Particulars	Amount Rs. (Dr)	Particulars	Amount Rs. (Cr)
Machinery	220000	Capital	530000
Building	110000	Long-term borrowing from bank	47000
Investments	40000	Trade Creditors	43000
Fittings & Furniture	110000	Bills Payable	16000
Sales Return	10000	Income from investments	9000
Opening Stock on 01.04.2021	40000	Sales	800000
Purchases	380000	Purchase Returns	7000
Carriage Inward	7000	Discount received	6500
Discount allowed	13000	Commission received	15000
Taxes & Rent	17000	Profit on sale of land	7500
Insurance	6000	Royalty received	8000
Sundry Debtors	260000	Bank overdraft	8000
Bad Debts	5000		
Advertisement	22000		
Interest paid	4000		
Salaries to Employees	50000		
Director's Fees	5000		
Cash and Bank balances	45000		
Land	130000		
Wages	-15000		
Carriage outward	8000		
	<b>1497000</b>		<b>1497000</b>

Additional information –

- Closing Stock as on 31<sup>st</sup> March, 2022 was Rs. 55000.
- Depreciation is to be provided on Building – @ 10% and on Machinery – @ 15%.
- Wages outstanding as on 31.03.2022 were Rs. 4000 and Salaries prepaid Rs. 2000.

You are required to prepare a Trading A/c, a Profit and Loss A/c for the year ended on 31-03-2022 and a Balance Sheet as on that date. (5+5+5=15)

[Turn over

6. (a) Kunal Enterprise has supplied you the following transactions for the month of February, 2022, you are required to prepare a Double Column cash book with Cash and Bank columns in the books of the organisation –

2022

- Feb.1 – Balance of cash in hand and at bank Rs. 69000 and Rs. 49000 respectively.
- Feb.5 – Purchased a machinery of Rs. 7000 and the payment made through cheque.
- Feb.8 – Purchased goods of Rs. 8000 from Gautam 40% in cash and remaining through cheque.
- Feb.10 – Sold goods to Abhinav of Rs. 7500 and payment received through cheque.
- Feb.16 – Cash paid to Mohini of Rs. 4750 against the amount due to him of Rs. 5000 in full settlement of her claim.
- Feb.21 – A cheque is received from Mr. Kaushik of Rs. 6700.
- Feb.23 – Cheque received from M/s Ratan Brothers against the amount due from him of Rs. 7000.
- Feb.25 – Cash withdrawn from the bank for business use of Rs. 2300 and Rs. 3200 for personal use.
- Feb.26 – Cheque received from Ram Sharma is immediately deposited into the bank of Rs. 4400.
- Feb.26 – Bought a table fan of Rs. 4000 and payment made through cheque Rs. 2500 and remaining in cash.
- Feb.28 – Cash deposited into the bank Rs. 6500. (10)

- (b) Write the difference between Trading A/c and Profit and Loss A/c. (5)

7. Write short note on the following (any five): (5 × 3 = 15)

- (a) Accounting information.
- (b) Accounting Standard.
- (c) Cash Book and a Pass Book.
- (d) Cash Basis vs Accrual Basis of accounting.
- (e) Depreciation.
- (f) Golden rules for debit and credit.
- (g) Accounting Entity Assumption.

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