

- (b) Provision for doubtful debts on debtor's and discount on debtors
- (c) Implied interest and Deferred revenue expenditures.

Unit III

6. The following is the Receipts and Payment account of Anil Society for the year ended 31st Dec., 2016 :

Receipts	Rs.	Payments	Rs.
Cash in hand, 1st Jan., 2016	15,000	Bank O/D, 1st Jan., 2016	31,000
Subscription :		Investment on securities	30,000
2015	2,000	Furniture	14,500
2016	1,62,000	Salary	62,000
2017	2,500	Printing and Stationery	8,900
Entertainment proceeds	20,000	Entertainment expenses	17,100
Entrance fees	6,700	Sundry expenses	14,200
Interest on securities	4,800	Cash on 31-12-2016	5,500
Sale of old chair (book value Rs. Nil)	1,200	Bank on 31-12-2016	31,000
	2,14,200		2,14,200

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Roll No.

A-153

B.B.A. EXAMINATION, Dec. 2017

(First Semester)

(Re-appear Only)

(BBA)

BBA-105

FINANCIAL ACCOUNTING

Time : 3 Hours]

[Maximum Marks : 70

Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

Note : Q. No. 1 is compulsory. Attempt any *one* question from each unit (Four from all units). All questions carry equal marks.

1. State the following : **2 each**
- (a) Revenue Expenditures
 - (b) Income received in advance
 - (c) Discount on creditors
 - (d) Del Credere Commission
 - (e) Name of methods for keeping the records of a joint venture business
 - (f) Interest Suspense Method
 - (g) Operating lease.

Unit I

2. Explain the relevance of the following accounting principles with examples : **4+4+6**
- (a) Realisation Concept
 - (b) Cost Concept
 - (c) Matching Concept.
3. Explain the process of financial accounting from recording of transaction to preparation of trial balance, Profit and Loss account and Balance sheet with at least 14 imaginary transactions. **14**

Unit II

4. XYZ Ltd. purchased a Machine on 01/04/2007 for Rupees 3,70,000 and installed at a cost of Rupees 30,000. On 01/10/2008, it purchased another machine for Rupees 1,00,000 and on 01/10/2009 it sold off the first machine purchased in 2007 for Rupees 2,80,000. On the same date it purchased a machinery for Rupees 2,50,000. On 01/10/2010, the second machinery purchased for Rupees 1,00,000 was sold off for Rs. 20,000.

Prepare Machinery Account for the period 2007 to 2011 by providing Written down method of depreciation with 20% p.a. rate of depreciation on 31st March. **14**

5. Explain the following with their accounting treatment : **5+4+5**
- (a) Outstanding expenses and prepaid expenses

You are required to prepare income and expenditure account for the year ended 31st December, 2016 and balance sheet as on that date after considering the following :

- (i) The society has 1,800 members, each paying annual fees of Rs. 100. Subscription amounting to Rs. 900 was still in arrears for the year 2015.
- (ii) Stock of stationary on 31 December, 2015 was Rs. 1,250 and on 31st December, 2016 was Rs. 870.
- (iii) Entrance fees are to be capitalized.
- (iv) Depreciate fixed assets by 10%.
- (v) On 31st December, 2015, premises stood in the books at Rs. 2,45,000 and investment at Rs. 65,000.
- (vi) Salary of Rs. 5,500 for December, 2016 is outstanding. Expenses accrued on 31st December, 2015 were Rs. 1,320. The society had paid Rs. 5,000 in 2015 for telephone charges out of which Rs. 1,250 is related to the year 2016. **14**

7. Explain the following with examples : **7 each**
- (a) Memorandum joint venture account
 - (b) Two sided Errors.

Unit IV

8. Parveen Brothers of Delhi consigned 400 packets of baby foods to its Mumbai agent. Anand Brothers, at a pro forma invoice price of Rs. 120 per packet (showing a profit of 25% on the cost price). The terms of the consignee is entitled to a commission of 5% on gross sales plus one-fifth of profit on consignments after charging his commission and share of profit and is to bear all expenses except those expenses incurred up to the consignee's godown.

Parveen Brothers paid Rs. 3,800 for the freight and insurance charges towards the consignment.

Anand Brothers sent a draft for 60% of the invoice value of the goods consigned as an advance. It sold 75% of the consignments at Rs. 41,200 and incurred the following expenses :

Unloading and clearing charges : Rs. 320,
Inward carriage : Rs. 420, Selling and
distribution : Rs. 500, Sundry expenses :
Rs. 600.

Anand Brothers remitted the balance owing on it by a demand draft.

You are required to give the necessary account in the books of the consignor. **14**

9. (a) What is Hire Purchase System ? It is credit sale ? Distinguish between Hire Purchase System and installment Payment system.
- (b) Explain the accounting treatment of lease with example. **7 each**