

FACULTY OF MANAGEMENT**B.B.A. III – Semester (CBCS) Examination, December 2017****Subject: Financial Accounting****Course No – 304 (BB)****Max. Marks: 80****Time: 3 Hours****Note: Answer all the questions.****PART – A (5x4 = 20 Marks)**
[Short Answer Type]**1 Answer any five of the following questions in not exceeding 20 lines each.**

- a) ✓ Going concern concept
- b) ✓ Accounting equation
- c) ✓ Journal
- d) ✓ Balancing of ledger
- e) ✓ Trial Balance
- f) P & L A/c
- g) Horizontal analysis
- h) Liquidity Ratios

PART – B (5x12 = 60 Marks)
[Essay Answer Type]

- 2 a) Explain the importance and scope of Accounting.
OR
b) ✓ Describe the accounting concepts and conventions.
- 3 a) Describe the preparation of Journal. Explain the types of journal.
OR
b) Enter the following transactions in Journal

		Amount (Rs.)
2006		
January	1 Sushil & Co. started business with cash	1,00,000
	2 Paid into Bank	60,000
	4 Purchased Machinery and paid by cheque	30,000
	6 Bought goods from Naresh	20,000
	14 Paid salaries	5,000
	15 Sold goods to Rajesh Kumar	15,000
	17 Paid for Sundry Expenses	8,500
	18 Cash deposited into Bank	20,000
	19 Received Rent	6,000

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- 4 a) Explain the contents of Final Accounts as per Companies Act 2013.
OR

- b) The following are the Balances extracted from the ledger of Meenakshi & Co. as on 31st March, 2004.

	Rs.		Rs.
Capital A/c	2,00,000	Reserves for discount on Debtors	2,000
Drawings	35,000	Loans at 9%	50,000
Buildings	1,00,000	Salaries	44,000
Machinery	25,000	Wages	75,000
Furniture & Fixtures	6,000	Rent	27,500
Loose Tools	4,000	Traveling Expenses ✓	12,500
Opening Stock	✓ 1,25,000	Postage and Telegrams	1,350
Purchases	✓ 7,50,000	Rates and Taxes	900
Sales	12,50,000	Carriage Inwards ✓	25,000
Sales Returns	50,000	Carriage Outwards ✓	7,500
Purchases	1,50,000	General Charges	9,000
Sundry Debtors	1,00,000	Interest paid	3,750
Sundry Creditors	75,000	Bad Debts	3,000
Reserve for Bad and Doubtful debts	4,000	Cash on hand	2,500
		Cash at Bank	24,000

Additional Information:

- 1) Stock as on 31-3-2004 Rs. 1,40,000
 - 2) Rent Outstanding Rs. 2,500
 - 3) Wages Outstanding Rs. 6,000
 - 4) Salary Outstanding Rs. 4,000
 - 5) Maintain the reserve for doubtful debts are 5% and reserve for discounts on debtors at 2.5%.
- 5 a) Explain the techniques of financial statement analysis.
OR

- b) The Balance Sheet of Punjab Auto Limited as on 31-12-2002 was as follows:

Particulars	Rs.	Particulars	Rs.
Equity share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank Overdraft	4,000	Debtors	12,000
Taxation		Investment (Short Term)	4,000
Current	4,000	Cash in hand	12,000
Future	4,000		
Profit and Loss A/c	12,000		
	1,20,000		1,20,000

From the above compute (a) The Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

- 6 a) Explain the salient features of IND-AS issued by ICAI.

OR

- b) Explain the main features, uses and objectives of IFRS.

$C.R = \frac{\text{Current Asset}}{\text{Current Liability}}$

$Q.R = \frac{\text{Quick Asset}}{\text{Current Liability}}$