

**FACULTY OF MANAGEMENT****BBA III – Semester (CBCS) Examination, November / December 2019****Subject: Financial Accounting****Course No. BB – 304****Time: 3 Hours****Max. Marks: 80****PART – A (5x4 = 20 Marks)****[Short Answer Type]**

1 Answer any five of the following in not exceeding 20 lines.

- a) Full Disclosure Concept
- b) GAAP
- c) Rules of Personal Accounts
- d) Ledger balancing
- e) Provision of Taxation
- f) Financial Statements Analysis
- g) Solvency Ratios
- h) Ind-AS.

**PART – B (5x12 = 60 Marks)****[Essay Answer Type]****Note: Answer all the questions using the internal choice.**

2 a) State the various users of Accounting Information.

**OR**

b) Explain in detail about the Accounting Concepts.

3 a) What is Ledger? State different types of vouchers.

**OR**

b) From the following transactions, prepare journal for the month of January, 2019:

- i) Commenced business with a capital of Rs. 5,00,000
- ii) Purchased machinery Rs. 1,00,000
- iii) Purchased goods worth Rs. 1,20,000 for cash
- iv) Sold goods for cash Rs. 75,000
- v) Purchased goods from Mr. Surya Rs.20,000
- vi) Sold goods to Mr. Ramana Rs. 35,000
- vii) Paid for advertisements Rs.10,000
- viii) Paid for stationery Rs.5,000
- ix) Received cash from Ramana Rs. 32,500 on full settlement of his account
- x) Paid for salaries Rs. 50,000
- xi) Received interest on Fixed Deposits Rs. 7,500

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4 a) State the distinguished features of Profit and Loss Account.

**OR**

 b) From the following trial balance, you are required to prepare Trading, Profit and Loss Account for the year ended 31<sup>st</sup> December, 2018 and Balance Sheet as on that date:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Investment in Shares of Reliance Co. Ltd.	1,18,000	Capital	3,00,000
Buildings	1,15,000	Loan from SBI @ 12% interest p.a.	1,50,000
Furniture & Fittings	1,07,500	Sales	2,00,000
Motor Van	75,000	Commission received	7,500
Interest on Debentures	9,000	Sundry Creditors	10,000
Purchases	75,000	Capital Reserve	50,000
Opening Stock	25,000	Provision of Bad Debts	3,100
Staff Salaries	15,000	Bills Payable	20,000
Wages	2,000		
Insurance	1,000		
Sundry Debtors	78,100		
Cash at Bank	70,000		
Goodwill	50,000		
	<b>7,40,600</b>		<b>7,40,600</b>

**Additional Information:**

- The value of Closing Stock as on 31<sup>st</sup> December, 2018 amounted to Rs. 3,19,000
- Write off Rs. 1,000 as bad debts; and provide for doubtful debts @ 5%
- Outstanding wages Rs.500
- Depreciate: Building @ 2%; Furniture & Fittings @ 10%; and Motor Van @ 10%.

5 a) Explain the significance and various tools of Financial Statement Analysis.

**OR**

 b) The following figures are available of X Ltd. for the year ended 31<sup>st</sup> March, 2019:
 

Net Profit before interest and tax Rs. 2,75,000

Net Profit after tax Rs. 2,20,000

Net Profit after interest and tax Rs.

1,10,000 Preference Dividend Rs. 35,000

Capital employed Rs. 11,00,000

Total Assets Rs. 12,65,000

Equity Shareholders' Fund Rs.

7,50,000. You are required to calculate:

- Return on Capital Employed
- Return on Total Assets and
- Return on Shareholders' Funds.

6 a) Describe the importance of accounting standards.

**OR**

b) Write the objectives of IFRS.

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