****

Register Number:

DATE & Session:

**ST. JOSEPH’S UNIVERSITY, BANGALORE-27**

**BBA/BBASF – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November/December 2023)**

**BA1123/BASF1123** : **FINANCIAL ACCOUNTING**

(For Current batch students only)

Time-2 Hours Max Marks-60 Marks

**This paper contains four printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. State any two objectives of Financial Accounting.
2. What is meant by Double Entry System?
3. Mention any four differences between Current assets and Non-current assets.
4. Give the meaning of Bank reconciliation Statement.
5. State whether the balance of each of the following accounts should be placed in debit or credit column of the trial balance. Capital; Cash; Drawings; Furniture; Machinery; Debtors; Creditors.
6. Rectify the following errors:
7. Sales to Sridhar ₹152, posted to his account as ₹125.
8. Purchased furniture for cash ₹2,000 was not posted.

**Section B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. Record the following transactions in the books of Ms. Mac and Co. for the year 2022.

|  |  |
| --- | --- |
| 1st Aug | Purchased from ABC Ltd. (Invoice No.524) 2000 balls @ ₹5 Per Piece |
| 15th Aug | Purchased from XYZ Ltd. (Invoice No.611) 100 bats @ ₹250 Per Piece. Trade Discount 20% |
| 29th Aug | Purchased from Con Ltd. (Invoice No.444) 200 skates for ₹1,00,000. Trade Discount 10% |
| 29th Aug | Purchased from ABC Ltd. (Invoice No.741) 200 Chess for ₹2,000. Trade Discount 15% |
| 30th Aug | Purchased from Con Ltd. (Invoice No.521) 100 skates for ₹40,000. Trade Discount 8% |

1. Mohan, a retail merchant commenced business with a capital of ₹12,000 on 1.1.2021. Subsequently on 1.5.2021 he invested further capital of ₹5,000. During the year, he has withdrawn ₹2,000 for his personal use. On 31.12.2021, his assets and liabilities were as follows:

|  |  |
| --- | --- |
| **Particulars** | **₹** |
| Cash at Bank | 3,000 |
| Debtors | 4,000 |
| Stock | 16,000 |
| Furniture | 2,000 |
| Creditors | 5,000 |

Calculate the Profit or loss made during the year 2021.

1. Bring out the difference between Tangible and Fictitious Assets.
2. From the following transactions prepare Bank Reconciliation Statement as on 31.8.2020
3. Bank Balance as per Cash Book ₹8,000
4. Cheques of ₹1,000, 2,000 and 3,000 issued on 8th,10th and 13th of August. Of these a cheque issued on 10th only was not presented for payment till 31st August
5. Interest and dividend collected by the banker on 25th August and informed the customer on 1st September ₹500
6. Cheques of ₹3,300 deposited into bank of which a cheque of ₹2,300 only collected in August
7. A cheque of ₹2,000 received and debited in cash book but not sent to bank till 31st August
8. Following entries found in Pass book only (a) Interest on bank balance ₹250 (b) Electricity bill paid ₹400 (c) Commission charges ₹50
9. Explain the importance of Indian accounting Standards.

**Section C**

**III.** Answer **any two** of the following (**2x10 = 20 Marks)**

1. The following balances were extracted from the books of Mr. Thomas as on 31st March, 2018.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **₹** | **Particulars** | **₹** |
| Purchases | 75,000 | Capital | 60,000 |
| Return Inward | 2,000 | Creditors | 30,000 |
| Opening Stock | 10,000 | Sales | 1,20,000 |
| Freight Inward | 4,000 | Return Outwards | 1,000 |
| Wages | 2,000 |  |  |
| Investments | 10,000 |  |  |
| Bank Charges | 1,000 |  |  |
| Land | 30,000 |  |  |
| Machinery | 30,000 |  |  |
| Building | 25,000 |  |  |
| Cash at Bank | 18,000 |  |  |
| Cash in Hand | 4,000 |  |  |
|  |  |  |  |
|  | **2,11,000** |  | **2,11,000** |

**Additional information:**

1. Closing Stock ₹9,000
2. Provide Depreciation @ 10% on Machinery
3. Interest accrued on Investment ₹2,000

Prepare Trading account, Profit and Loss account and Balance Sheet.

1. Explain the objectives of Inventory valuation as per Indian Accounting Standards.
2. Jeyaseeli is a sole proprietor having a provisions store. Following are the transactions during the month of January, 2018. Journalise them.

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Amount (₹)** |
| Jan 1st | Commenced business with cash | 80,000 |
| Jan 2nd | Deposited cash with bank | 40,000 |
| Jan 3rd | Purchased goods by paying cash | 5,000 |
| Jan 4th | Purchased goods from Lipton &Co on credit | 10,000 |
| Jan 5th | Sold goods to Joy and received cash | 11,000 |
| Jan 6th | Paid salaries by cash | 5,000 |
| Jan 7th | Paid Lipton & co by cheque for the purchases made on 4th Jan |  |
| Jan 8th | Bought furniture by cash | 4,000 |
| Jan 9th | Paid electricity charges by cash | 1,000 |
| Jan 10th | Bank paid insurance premium on furniture as per standing instructions | 300 |

**SECTION D**

**IV. Answer the following question (1 x 10 = 10 Marks)**

1. From the following particulars make Double Column Cash book of Mr. Doraiswamy for the month of March, 2022:

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **₹** |
| 2022. Jan 1st | Cash Balance | 18,500 |
| Jan 3rd | Cash Sales | 33,000 |
| Jan 7th | Paid Dravid | 15,850 |
|  | Discount allowed by him | 150 |
| Jan 13th | Sold goods to Manohar on credit | 19,200 |
| Jan 15th | Cash withdrawn for personal expenses | 2,400 |
| Jan16th | Purchased goods from Charles on credit | 14,300 |
| Jan 22nd | Paid into bank | 22,750 |
| Jan 25th | Cash received from Manohar | 19,000 |
|  | Allowed him discount | 200 |
| Jan 26th | Drew a cheque for office use | 17,500 |
| Jan 27th | Paid cash to Saravanan | 2,950 |
|  | Discount received from him | 50 |
| Jan 28th | Paid Cash to Charles less discount | 14,200 |
| Jan 29th | Cash Purchases | 13,500 |
| Jan 30th | Paid for Advertising | 600 |
| Jan 31st | Paid Salaries | 12,000 |