

0103

B.B.A. IST SEMESTER EXAMINATION, 2019

Paper – III

Financial Accounting

Time: Three Hours

Maximum Marks: 80

PART – A (खण्ड – अ)

[Marks: 20]

Answer all questions (50 words each).

All questions carry equal marks.

सभी प्रश्न अनिवार्य हैं। प्रत्येक प्रश्न का उत्तर 50 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – B (खण्ड – ब)

[Marks: 40]

Answer five questions (250 words each).

Selecting one from each unit. All questions carry equal marks.

प्रत्येक इकाई से एक-एक प्रश्न चुनते हुए, कुल पाँच प्रश्न कीजिए।

प्रत्येक प्रश्न का उत्तर 250 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – C (खण्ड – स)

[Marks: 20]

Answer any two questions (300 words each).

All questions carry equal marks.

कोई दो प्रश्न कीजिए। प्रत्येक प्रश्न का उत्तर 300 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – A

- Q.1 (a) Explain accounting equation.
(b) Explain Accrual Basic of Accounting.
(c) Define Differed Revenue Expenditure.
(d) Do you consider the following to be capital or revenue items –
(i) ₹ 10,000 spent on advertisement campaign to launch a new product.
(ii) ₹ 30,000 spent for air – conditioning the Manager’s office.
(iii) ₹ 2000 spent on repairs of machinery.
(iv) Loss on goods on account of fire in the go – down ₹ 1000
(e) What is Average clause’?
(f) How gross profit is calculated under loss of Profit policy.
(g) What is del credere commission?
(h) What is Account Sale? Give its pro forma?
(i) How to apportion the expenses to Department?
(j) Give name of different methods of Branch of Accounting.

PART – B

UNIT –I

Q.2 The customer’s individual account in the sales ledger of a merchant showed the following debit balances on 30th June, 2018: Ashok ₹ 2740, Akhilesh ₹ 1,890, Dinesh ₹ 1,100 Nikesh ₹ 2,580 Subhash ₹ 860 and Suresh ₹ 1800.

The following details were available from the accounting records on 30th June, 2018 –

(i) Opening balance of debtors on 1/6/2018	₹ 8,020
(ii) Credit sale in June, 2018	₹ 15,240
(iii) Cash received in June, 2018	₹ 6,010
(iv) Sales return in June, 2018	₹ 920
(v) B/R received in June 2018	₹ 5,240
(vi) Discount allowed in June 2018	₹ 120

The merchant keeps the ledger on self-balancing system. Pass necessary journal entries to make the ledgers self-balancing and prepare the general ledger Adjustment Account in Sales Ledger.

OR

Explain the procedure of formulation and issuance of accounting standards by the I.C.A.I.

UNIT -II

Q.3 Ram acquired a mine on 1/4/2013 on lease from Shyam for a period of 10 years at a royalty of ₹ 3 per tonne of coal product subject to a minimum rent of ₹ 4,500 for the first year, increasing by ₹ 1500 every year till ₹ 15,000 per annum is reached. Short workings of any year may be recouped out of excess workings of its following two years only. The output during the first five years were as follows –

Year	2013 – 14	2014 – 15	2015 -16	2016 – 17	2017 - 18
Output in tonnes	500	1000	2250	3500	500

While preparing the accounts of first year Ram decided not to carry forward as an asset any short workings. In the second year ₹ 4500 and in the third year ₹ 3,000 were carried forward in the short working account. Thereafter correct figures of short workings were carried forward. Prepare necessary accounts in the books of Ram.

OR

Explain with examples –

- (a) Capital Expenditure
- (b) Revenue Expenditure
- (c) Deferred Revenue expenditure

UNIT -III

Q.4 On 10th October, 2017 the fire occurred in the premises of Naman. All stock except to the extent of ₹ 12,400 were destroyed. Naman always values the stock at cost less than 10%. Stock was insured for ₹ 50,000. From the following figures, ascertain the loss of stock by fire suffered by Naman -

Stock on 1 st April, 2017	₹ 72,000
Purchases less return during 2016 - 17	₹ 2,80,000
Stock 31 st March 2017	₹ 45,000
Purchases less returns from 1 st April, 2017 to date of fire	₹ 2,92,000
Sales less returns from 1 st April, 2017 to date of fire	₹ 3,20,000
Sales less returns during 2016 – 17	₹ 4,00,000

OR

Explain Lease Accounting in detail.

UNIT -IV

Q.5 What is Joint Venture? What are the different methods for accounting the joint ventures transactions? Illustrate by suitable examples.

OR

Arvind and Company sells goods on hire purchase at cost plus 50 per cent. Prepare Hire Purchase Trading Account from the following details –

1/4/2017	Stock with H. P. customers at higher purchase price	₹ 64,800
1/4/2017	Stock in hand at shop	₹ 1,29,600
1/4/2017	Instalments overdue	₹ 54,000
31/3/2018	Purchase of goods during the year	₹ 4,32,000
31/3/2018	Goods repossessed valued (Instalment not due ₹ 14,400)	₹ 3,600
31/3/2018	Stock at shop (excluding stock of repossessed goods)	₹ 1,44,000
31/3/2018	Cash received during the year	₹ 4,14,000
31/3/2018	Instalment overdue	₹ 64,800

UNIT -V

Q.6 The following purchases were made during the year 2016 – 17 by a business house having three departments –

Department A – 1000 units, Department B – 2000 units, Department C – 2400 units at a total cost ₹ 1,00,000.

Stock on 1/4/2017 were –

Department A 120 Units

Department B 80 Units

Department C 152 Units

The sales during the year 2016 – 17 were –

Department A 1020 Units @ ₹ 20 Per Unit

Department B 1920 Units @ ₹ 22.50 Per unit

Department C 2456 Units @ ₹ 25 Per unit

The rate of gross profit is the same in each department. Prepare Departmental Trading Account for the year 2016 – 17.

OR

What is meant by Departmental Accounts? What types of problems arise in departmental accounting and how are they solved?

PART – C

Q.7 What do you mean by accounting concepts and conventions? Explain briefly some important accounting concepts and conventions.

Q.8 The book debts of a firm on 31st March, 2018 amounted to ₹ 40,000. In the previous year a provision for Bad and Doubtful Debts was made for ₹ 1800. On 15th February, 2018 ₹ 500 was received on account of debt previously written off as bad. The actual bad debts during the year amounted to ₹ 1,000. A provision for Bad and Doubtful debts is to be maintained at 5% on the book debts. Show these adjustments in Journal Ledger and Final Accounts.

Q.9 A fire occurred in the premises of Shri Ramesh on 1st April, 2017 and a considerable part of the stock was destroyed. The stock, salvaged was ₹ 1, 12,000. Shri Ramesh had taken a fire insurance policy for ₹ 6, 84,000 to cover the loss of stock by fire.

You are required to ascertain the insurance claim due from the insurance company for the loss of stock by fire. The following particulars are available –

Purchases for the year 2016	₹ 37,52,000
Sales for the year 2016	₹ 46,40,000
Purchases 1 st January 2017 to 1 st April 2017	₹ 7,28,000
Sales from 1 st January to 1 st April 2017	₹ 9,60,000
Stock on 1 st January, 2016	₹ 5,76,000
Stock on 31 st December, 2016	₹ 9,68,000
Wages paid during the year 2016	₹ 4,00,000
Wages paid during 1 st January to 1 st April 2017	₹ 72,000

Shri Ramesh had in June 2016 consigned goods worth ₹ 2, 00,000 which were lost in an accident. As there was no insurance the loss was borne by him in full.

Stock at the end of each year for and till the end of calendar year 2015 had been valued at cost less 10% from 2016, however, there was a change in the valuation of closing stock which was ascertained by adding 10% to its cost.

Q.10 Mr. Y consigned 800 packets of tooth paste, each packet containing 100 tooth pastes.

Cost price of each packet was ₹ 900. Mr. Y Spent ₹ 100 per packet as cartage, fright insurance and forwarding charges. One packet was lost on the way and Mr. Y lodged claim with the insurance company and could get ₹ 570 as claim on average basis. Consignee took delivery of the rest of the packets and spent ₹ 39,950 as other non-recurring expenses and ₹ 22,500 as recurring expenses. He sold 740 packets at a rate of ₹ 12 per toothpaste. He was entitled to 2% commission of sales and 1% del credere commission.

You are required to prepare Consignment Account. Calculate cost of stock at the end, abnormal loss and profit or loss on consignment.

Q.11 Explain main accounts to be prepared in the books of Head Office by stock and debtors method.
