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GIET UNIVERSITY, GUNUPUR – 765022
B. B. A (First Semester) Examinations, February – 2023
21BBAPC11005 – Basic Financial Accounting

Time: 3 hrs

Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A**(2 x 10 = 20 Marks)**Q.1. Answer **ALL** questions

	CO #	Blooms Level
a. Memorise the steps in journalising a transaction or event.	CO1	K2
b. Describe the process of balancing an account.	CO1	K2
c. Quote the various subsidiary books	CO2	K2
d. Describe the types of cash book	CO2	K2
e. Describe trial balance	CO3	K2
f. Explain error of commission	CO3	K2
g. Describe the different stages of income statement of a trading business.	CO4	K2
h. Recall the objectives of financial accounting	CO4	K2
i. What is a Bank reconciliation statement	CO5	K2
j. Write three items contributing to the cash balance	CO5	K2

PART – B**(8 x 5 = 40 Marks)**Answer **ALL** the questions

2. a. Explain the concepts of accounting.

Marks CO # Blooms Level

8 CO1 K2

(OR)

b. Journalise the following transactions;

8 CO1 K4

	Rs.
2022	
Jan.1 Ram started business with cash	50,000
Jan.1 Opened a bank account by depositing cash	25,000
Jan.3 Purchased goods	12,000
Jan. 5 Purchased goods from Raghu	10,000
Jan. 6 Cash sales	18,000
Jan.9 Sold goods to Srihari	16,000
Jan. 9 Paid carriage on sales	400
Jan. 15 Paid Raghu in full settle through a cheque	9,800
Jan.20 Paid insurance on goods	200
Jan. 25 Received a cheque from Srihari after allowing a cash discount of Rs. 1,000	
Jan. 30 Paid salaries	5,000
Jan.31 Deposited into Bank	3,000

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3.a. Describe , “Subsidiary book” and types of subsidiary books. 8 CO2 K2

(OR)

b. Prepare a triple column cash book from the following information: 8 CO2 K4

- | | | |
|-------|--|--------|
| i) | Started business with cash | 50,000 |
| ii) | Opened a bank account by depositing cash | 30,000 |
| iii) | Cash purchases
10,000 | |
| iv) | Purchased goods from Ramesh | 20,000 |
| v) | Cash sales
25,000 | |
| vi) | Sold goods to Suresh | 12,000 |
| vii) | Paid carriage
500 | |
| viii) | Received from Suresh in full settlement of his account | 11,500 |
| ix) | Paid to Ramesh through a cheque after getting a discount of Rs.1000 in full settlement of his account. | |
| x) | Bank allowed interest
100 | |

Deposited all cash in excess of Rs. 16,000 into bank

4.a. Deduce trial balance and the methods of preparation of a trial balance. 8 CO3 K2

(OR)

b. Prepare a trial balance from the following information: 8 CO3 K4

	Rs.		Rs.
Cash in hand	4,200	Cash at Bank	16,800
Bills Receivable	18,000	Bills payable	16,000
Sundry debtors	24,600	Sundry creditors	32,400
Capital	50,000	Drawings	18,000
Sales	1,05,000	Purchases	75,000
Carriage Inward	2,700	Salaries	12,000
Advertisement	2,400	Insurance	1,600
Furniture	7,500	Stock	18,600
Office Rent	2,000		

5.a. Explain final accounts and explain the final accounts of trading concern in detail. 8 CO4 K2

(OR)

b. From the following information of Mr Rajesh for the year ended 31/12/2022, prepare Trading, Profit & loss account and the Balance sheet on the date: 8 CO4 K4

<u>Debit balances</u>	<u>Rs.</u>	<u>Credit balances</u>	<u>Rs.</u>
Buildings	50,000	Capital	1,00,000
Plant & Machinery	80,000	Sales	2,20,000

Purchases	1,40,000	Purchases	8,000
Sales returns	6,000	Commission	7,000
Wages paid	10,000		
Salaries	25,000		
Insurance	2,000		
Bad debts	3,000		
Stock	4,000		
Debtors	10,000		
Cash	5,000		

Additional information:

- i) Closing stock -- Rs. 20,000
- ii) Charge depreciation @10% pa on Machinery and 5% on Building
- iii) Wages outstanding – Rs. 2,000 and Salaries prepaid –Rs. 1,000
- iv) Commission received in advance Rs.1,000

6.a. Explain a Bank reconciliation statement and the reasons for the preparation of a bank reconciliation statement. 8 CO5 K2

(OR)

b. Prepare a bank reconciliation statement from the following information: 8 CO5 K4

Balance as per cash book Rs.15,000

- i) Cheques issued but not presented for payment Rs.5,000
- ii) Cheques received but not deposited Rs.8,000
- iii) Direct payment into bank Rs. 6,000
- iv) Dividend collected by the bank---Rs.1,500
- v) Bank charges debited by the Bank --Rs.150
- vi) Payment side of cash book bank column overcast by Rs.200

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