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**GIET UNIVERSITY, GUNUPUR - 765022**  
**B. B. A (First Semester) Examinations, January - 2024**  
**23BBAPC11005 - 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 golden rules of debit and credit	CO1	L2
b. Explain the basic accounting equation	CO1	L2
c. Describe an account and Ledger book/s	CO2	L2
d. Explain a cross or contra entry	CO2	L2
e. Describe of error of principle	CO3	L2
f. Deduce suspense account.	CO3	L2
g. Formula for cost of goods sold	CO4	L2
h. Marshalling of assets and liabilities	CO4	L2
i. Memorise bank reconciliation statement	CO5	L2
j. Write three items contributing to the bank balance	CO5	L2

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

	Marks	CO #	Blooms Level
2. a. Define accounting. Explain the accounting cycle. (OR)	8	CO1	L2
b. Pass necessary journal entries for the following transactions: 2022 Jan.1 Mr. Rahul started business with cash Rs. 50,000 and Plant worth Rs. 1,50,000. “ 1 Opened a Bank account by depositing Rs. 20,000. 2 Purchased goods Rs. 20,000 3 Purchased goods from Raju Rs. 30,000 5 Sold goods Rs. 30,000 8 Sold goods to Sunil Rs. 20,000 9 Paid for stationery Rs. 1,000 10 Received a cheque for Rs. 19,000 from Sunil in full settlement of his account. 15 Paid Raju by cheque Rs. 29,000 and received discount of Rs.1000 from him. 20. Purchased goods worth Rs. 30,000 for cash and Rs. 20,000 on credit from Ramesh. 25. Sold goods to Sujit Rs. 50,000 whose book value is Rs. 52,000. 30. Paid salaries ----- Rs. 10,000. 31. Rahul taken goods worth Rs. 2,000 for his personal use. 31. Paid housing loan installment of SBI through a cheque.	8	CO1	L4
3.a. Memorise a cash book and explain the various types of cash book/ (OR)	8	CO2	L2
b. Prepare a columnar petty cash book from the following of Ms. Sonia; Rest. 100 was given to cashier on 1 <sup>st</sup> March, 2022 on the imprest system: <b>March</b> 2 Paid for postage stamps Rs. 8                      23 aid for ink and nibs                      4 2 Paid for stationery                      10                      26 Paid for train fair                      5 3 Paid for cartage                      4                      28 Paid for bus fair                      4 3 Paid for postage stamps                      6                      29 Envelops and letter heads                      6 8 Paid for paper                      1                      30 Printing address                      4 12 Paid for cartage                      6                      31 Taxi fare to manager                      10	8	CO2	L4

4.a. Describe trial balance with its objectives and defects. 8 CO3 L2

(OR)

b. i) Prepare a trial balance from the following balances: 8 CO3 L4

	Rs.		Rs.
Capital	75,000	Debtors	30,000
Purchases	1,25,000	creditors	55,000
Machinery	60,000	Bank loan	35,000
Goodwill	20,000	Commission received	15,000
Wages	8,000	Discount received	5,000
carriage	3,000	Discount allowed	8,000
Drawings	5,000	Bad debts	6,000
Opening stock	7,000	Sales	1,55,000
Closing stock	12,000	Building	50,000
Insurance premium	2,000	Furniture	16,000

5.a. Describe an income statement. How it is prepared for a trading concern and what are its components. Discuss in detail. 8 CO4 L2

(OR)

b. Prepare final accounts of Mr. Shyam from the following information for the year ending 31<sup>st</sup> December, 2022: 8 CO4 L4

Debit balances		Rs.	Credit balances		Rs.
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:

- Closing stock Rs. 18,000
- Prepaid insurance Rs. 1,000
- Prepaid wages Rs. 2,000
- Outstanding salaries Rs. 1,400
- Depreciation on Machinery Rs. 6,000, Depreciation on Building 10%.

6.a. Narrate the bank reconciliation statement and its procedure of preparation along with the reasons for disagreement between Bank Statement and Company's Accounting Records. 8 CO5 L2

(OR)

b. Prepare a Bank reconciliation statement from the following information: 8 CO5 L4

(i) Bank balance overdraft as per cash book .....	Rs. 80,000	(ii)
Cheque recorded for collection but not sent to the bank	Rs. 10,000	
(iii) Credit side of the cash book cast short .....	Rs. 1,000	
(iv) Premium on proprietor's Life Insurance paid on standing orders --	Rs. 5,000	
(v) Bank Charges recorded twice in the cash book -----	Rs. 100	
(vi) Customer's cheque returned by the bank as dishonoured	Rs. 4,000	
(vii) Bill Receivable collected by the bank directly	Rs. 20,000	
(viii) Cheque received entered twice in the cash book	Rs. 6,000	
(ix) Cheque issued but dishonoured on technical grounds	Rs. 3,000	
(x) A cheque deposited into the bank of worth Rs. 45,000 but cheque was not collected by bank	Rs. 8,000	

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