



**PRESIDENCY UNIVERSITY
BENGALURU
SCHOOL OF MANAGEMENT**

MAKE UP EXAMINATION – JAN 2023

Course Code: BBA 2001
Course Name: Financial Accounting
Program : BBA

Date: 20th JAN 2023
Time: 9.30 AM to 12.30 PM
Max Marks: 100
Weightage: 50 %

Instructions:

- (i) Read the question properly and answer accordingly.
(ii) Complete the test within the time given.

Part A [Memory Recall Questions]

Answer all the Questions. Each Question carries 2 marks.

(10Qx 2M= 20M)

1. Which of the following statement is false? **(CO1, Knowledge)**
 a. Book-keeping and Accounting are terms often used interchangeably.
 b. Book-keeping is part of accounting.
 c. Accounting is boarder and analytical in nature.
 d. Book-keeping is narrower than accounting.
2. Which part of final accounts is known as 'Position Statement'? **(CO1, Knowledge)**
 a. Trading account b. Profit and loss account
 c. Balance sheet d. None of the above
3. What does the word 'Sundry Creditors' mean? **(CO1, Knowledge)**
 a. Internal creditors b. External creditors
 c. Total creditors d. Personal Creditors
4. Which concept is also called as 'Evidence concept'? **(CO1, Knowledge)**
 a. Separate Legal entity b. Objectivity.
 c. Accrual d. Matching
5. Book keeping mainly consists with **(CO1, Knowledge)**
 a. Analyzing b. Recording Financial Information
 c. Preparing Financial Statement d. All the above
6. What are subsidiary books? **(CO No 3; Comprehension)**
7. What do you understand by Going concern concept? **(CO No 3; Comprehension)**
8. What is Down Payment? **(CO No 3; Comprehension)**
9. Give one example for representative personal account. **(CO No 3; Comprehension)**
10. What is money measurement concept? **(CO No 3; Knowledge)**

Part B (Thought Provoking Question)

Answer all the questions. Each question carries Ten marks.

(10Mx4Q=40M)

11. From the following balances extracted from the books of Mr. Abel, a trader on automobiles, Prepare trial balance on 31st March 2022:

Particulars	Amount
Opening stock	6000
Cash in hand	5500
Capital	45000

Sales	59400
Carriage inwards	3500
Creditors	15000
Land & Buildings	50000
Purchases	49700
Business expenses	5000
Discount received	300
Loan	600

(CO2, Comprehension)

12. From the following transaction of Leela Home Appliances for January 2022, Prepare Purchases Book.

Date	Particulars
January 1st	Purchased on Credit from Khan & Co. <ul style="list-style-type: none"> • 50 iron boxes @ Rs.1000 each • 10 Grinders @ Rs. 3000 each
January 10th	Purchased for cash from Suraj & Co. <ul style="list-style-type: none"> • 25 AC's @ Rs.1500 each
January 12th	Purchased office table from Mahima Mart for Rs.5000
January 25th	Purchased from Ram & Co. on credit. <ul style="list-style-type: none"> • 20 Mixer grinders @ Rs.2000 each • 10 Fans @ Rs.1000 each • Trade discount @ 10% • Packing & Delivery charges Rs.1000

(CO3, Comprehension)

13. Write down all the items which the sole proprietorship firms records on the debit side of their Trading and Profit & loss account.

(CO5, Comprehension)

14. Journalise the following transactions in the books of Mr. Steven Krishna for August 2022.

(CO5, Application)

June 1 Mr. Troy started business with cash ₹2,00,000

June 4 Good purchased in cash ₹ 20,000.

June 5, He deposited in Bank ₹ 40,000

June 7 Goods sold ₹15,000

June 10 Goods purchased from Mr. Kevin on credit ₹ 25,000

June 11 Furniture purchased ₹ 18,000

June 12 Wages paid ₹ 4000

June 20 Interest received ₹ 500

June 25 Cash paid to Mr. Kevin ₹ 25,000

June 30 Additional capital brought by Mr. Troy ₹ 50,000

Part C. (Problem Solving Questions)

Answer the following. The question carries Fifteen marks.

(20Mx2Q=40M)

15. From the following transactions, Pass Journal entries, Prepare Ledger account for the month March 2022.

(CO2, Application)

DATE	PARTICULARS
1 st	Ravi started business with 8,000
2 nd	Purchased furniture for cash 1,000
3 rd	Purchases goods for cash 6,000
4 th	Sold goods for cash 7,000
5 th	Purchased goods from Sham 4,000
6 th	Sold goods to Rahul 5,000
7 th	Paid cash to Varsha 2,500
8 th	Received cash from Mahesh 3,000
9 th	Paid Rent 200
10 th	Received commission 100

16. On 1st January 2022, ABC Industries bought a machine from HMT Ltd. on hire purchase system. The cash price of the machine was ₹37,250 and the payment was to be made as follows: ₹10,000 on signing the agreement and the balance in yearly instalment of ₹10,000 each on 31st December every year for 3 years. The HMT Ltd. charged interest at 5% p.a. and ABC Industries writes off depreciation @10% per year on reducing balance system.

Pass the necessary journal entries and open the necessary accounts in the books of ABC Industries under Asset Accrual Method.

(CO4, Application)