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Total Number of Pages : 02

IMBA
16IMN104

1st Semester Regular Examination 2019-20
BASIC FINANCIAL ACCOUNTING-I

BRANCH : IMBA

Max Marks : 100

Time : 3 Hours

Q.CODE : HR780

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Only Short Answer Type Questions (Answer All-10)

(2 x 10)

- a) Define Accounting .
- b) What is the purpose of subsidiary books ?
- c) Write the main objectives of Accounting .
- d) What is GAPP?
- e) How will you treat closing stock in final accounts if it appears in a Trial balance .
- f) Explain what is Accounting cycle .
- g) What do you understand by Marshalling of a Balance sheet ?
- h) List different items that are being adjusted with the capital in the balance sheet .
- i) Why is it important to consider the adjustments while preparing final accounts ?
- j) Explain what is an intangible asset ?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

(6 x 8)

- a) Write the items that are shown in a Trading Account .
- b) Describe the Accounting cycle .
- c) Journalise the following transactions .
 - i. Started business with Rs 5,00,000 .
 - ii. Bought furniture worth Rs 20,000 .
 - iii. Purchased goods Rs 50,000 .
 - iv. Withdrew goods worth Rs 1,000 for personal use .
- d) Why do you need to make a proper maintenance of books of accounts ?
- e) Explain the Conservatism convention .
- f) Distinguish between capital expenditures and revenue expenditures.
- g) What are the purposes of making Trial Balance ?
- h) Explain why it is important to provide for Bad debt ?
- i) How do you treat the following adjustments in final accounts ?
 - i. Prepaid Expenses
 - ii. Outstanding Expenses
- j) Why does a bank credits our account when we actually deposit money into our account?
- k) State the different reasons why assets depreciate.
- l) Draw a cash account with imaginary figures.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 State the reasons behind stakeholders' interest in the books of accounts of a business enterprise. (16)

Q4 Explain the different account concepts. (16)

Q5 Draw a Balance Sheet with imaginary figures. (16)

Q6 Prepare a Trading and Profit & Loss account for Mr Keshav Kanta from the data given below: (16)

Credit Balances:

Capital Rs 1,00,000; Sales Rs 321000; interest earned Rs 4000; Creditors Rs 1,20,000; Bad debts Rs 8000. Purchase returns Rs 5000.

Debit Balances:

Fixed Assets Rs 50,000; Purchases Rs 1,50,000; Debtors, Rs 2,00,000; Salaries Rs 30,000; Wages Rs 20,000; Ret Rs 15,000; Sales Return Rs 10,000; Printing and Stationery Rs 9000; Insurance Rs 12,000; Opening stock Rs 50,000 Office Expenses Rs 12,000.

The closing stock was valued at Rs 40,000. Allow a depreciation of 10% on Fixed Assets.

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IMBA
16IMN104

1st Semester Regular Examination 2018-19

BASIC FINANCIAL ACCOUNTING- I

BRANCH : IMBA

Time : 3 Hours

Max Marks : 100

Q.CODE : E816

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.

The figures in the right hand margin indicate marks.

Part- I

Q1 Short Answer Type Questions (Answer All-10) (2 x 10)

- Name the stakeholders who use accounting information for planning a company's profitability?
- If an asset is purchased on credit it will impact the assets and liabilities. Mention the impacts.
- What are the 3 principal financial statements that are included in the Financial reports of the Board of Directors.
- A sole proprietor decided to use the same bank account for his personal affairs as for the business. Does it violate any fundamental concept of accounting? Mention the same, if you agree.
- Explain the meaning of the terms debit and credit.
- Make journal entry :
"Amit is declared insolvent. Received from his official receiver 60 paisa dividend in the rupee on a debt of Rs.4000."
- What are the different types of cash book ?
- Name the subsidiary books maintained by an organization.
- Name the proper sequence of accounting cycle.
- Why do you need adjustment entries?

Part- II

Q2 Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- Explain the rules regarding journal entries under traditional way. Is there any other way of making journal entries?
- What is GAAP? Why is GAAP necessary?
- Why does a business maintain subsidiary books? Give an example of one subsidiary book.
- Who are the stakeholders of business?
- What is marshaling of balance sheet? Discuss the process.
- What are the differences between trading account and manufacturing account?
- Write the benefits derived from preparing and maintaining accounts.
- What are the differences between a balance sheet and a Trial Balance?
- Make journal entries for an outstanding expenditure and prepaid expenditure with imaginary accounts and figures.

- j) Make journal entries for accrued income and prepaid income.
 k) What are errors of omission and errors of commission? Give examples.
 l) A book keeper has submitted to you the following trial balance wherein the totals of debit and credit balance are not equal :

	Dr. (Rs.)	Cr. (Rs.)
Capital	-	15,340
Cash in hand	-	60
Purchases	17,980	-
Sales	-	22,120
Cash at Bank	1,770	-
Fixture & Fitting	450	-
Freehold Premises	3,000	-
Lighting and Heating	130	-
Bills Receivable	-	1,650
Return Inwards	-	60
Salaries	2,150	-
Creditors	-	3,780
Debtors	11,400	-
Stocks (1.1.2001)	6,000	-
Printing	450	-
Bills payable	3,750	-
Rates, Taxes and Insurance	380	-
Discount Received / Allowed	890	400
	48,350	43,410

You are required to draft the Trial Balance correctly.

Part-III

Long Answer Type Questions (Answer Any Two out of Four)

- Q3** Define Accounting. Explain the need for accounting information by various stakeholders of business. (16)
- Q4** Distinguish between a revenue expenditure and capital expenditure? How would you identify expenditure as either a revenue or a capital expenditure? (16)
- Q5** Why should you prepare a trial balance? In so preparing, there might be many mistakes. Identify such mistakes and explain the methods to rectify the same. (16)

From the following Trial Balance of Shri Ram, prepare Trading and Profit and Loss Account for the year ended 31st December, 2017 and a Balance sheet as on that date. (16)

Dr. Balances	Rs.	Cr. Balances	Rs.
Opening Stock	20,000	Sales	2,70,000
Purchases	80,000	Purchase Returns	4,000
Sales Return	6,000	Discount	5,200
Carriage Inwards	3,600	Sundry Creditors	25,000
Carriage outwards	800	Bills payable	1,800
Wages	42,000	Capital	75,000
Salaries	27,500		
Plant & Machinery	90,000		
Furniture	8,000		
Sundry Debtors	52,000		
Bills Receivable	2,500		
Cash in hand	6,300		
Travelling expenses	3,700		
Lighting (factory)	1,400		
Rent & Taxes	7,200		
General expenses	10,500		
Insurance	1,500		
Drawings	18,000		
Total	3,81,000	Total	3,81,000

Adjustments :

- Stock on 31st December, 2017 was valued at Rs.24,000 (Market value Rs.30,000)
- Wages outstanding for December, 2017 amounting to Rs.3,000
- Salaries outstanding for December, 2017 amounted to Rs.2,500
- Prepaid insurance amounted to Rs.300.

Provide depreciation on plant and machinery at 5% and on furniture at 20%.

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IMBA
16IMN104

1st Semester Regular / Back Examination 2017-18
BASIC FINANCIAL ACCOUNTING-I

BRANCH: IMBA

Time: 3 Hours

Max Marks: 100

Q.CODE: B998

Answer Question No.1 and 2 which are compulsory and any FOUR from the rest.
The figures in the right hand margin indicate marks.

Q1 Answer the following questions: *multiple type or dash fill up type* (2 x 10)

- a) The _____ concept states that businesses should be treated as if they will continue to stay in business.
- b) Fixed assets are shown at their _____ value in a balance sheet.
- c) According to the _____ principle, some financial information is not worth retrieving.
- d) The _____ shows the changes in equity during a period.
- e) Accounts receivable is reported as a _____ on the balance sheet.
- f) The _____ is the first financial statement prepared during the accounting cycle.
- g) The excess of current assets over current liabilities is called _____.
- h) The claims of creditors against the assets of a business are said to be _____.
- i) Goods purchased for resale purpose are recorded as _____.
- j) Pre-paid insurance is reported as an _____ on a company's balance sheet.

Q2 Answer the following questions: (2 x 10)

- a) What do you mean by goodwill?
- b) How is the income statement linked to the balance sheet?
- c) Explain what is Deferred revenue expenditure?
- d) How is new provisions for bad debt treated in the books of accounts?
- e) Name different types of Expenditures?
- f) Give two examples of fictitious assets.
- g) What is single entry accounting?
- h) How are accounts classified as per modern classification of accounts?
- i) What is arranging a balance sheet in the order of permanence?
- j) What do you mean by 'Error of Omission'?

Q3 What is the purpose of following Accounting Concepts and Conventions? (15)
Explain Dual Aspect, Business Entity, Conservatism, Matching and Consistency principles of accounting.

Q4 On 1.4.16, the following were the ledger balances of Sharp & Co : (15)

Cash in hand – Rs 9,000
Cash at bank – Rs 21,000
Stock – Rs 20,000
Raman (Dr) – Rs 12,400
Soma (Cr) – Rs 5,000
Parth (Cr) – Rs 3,000
Sambit (Dr) – Rs 4,500
Motor Car – Rs 50,000
Bank loan – Rs 40,000

Transactions during the month were as follows.

	Rs
Apr 2 Bought goods from Parth -----	8,000
Apr 3 Sold to Sambit -----	15,000
Apr 5 Bought goods-----	13,600
Apr 7 Goods taken for personal use-----	1,200
Apr 10 Received from Raman in full settlement----	12,000
Apr 11 Paid full amount to Soma	
Apr 12 Paid for office stationeries -----	500
Apr 13 Paid to Parth by cheque in full settlement --	2,800
Apr 14 Rent due to landlord -----	1,500
Post them in the books of accounts of Sharp & Co.	

- Q5 a) What is a Trial Balance ? Why is it prepared ? What are the different ways of preparing a Trial Balance ? Give a specimen of a Trial Balance with imaginary figures. (10)
- b) Explain the terms Net Profit, Pre paid Expense, Accrued Income, Bad Debt and Reserves. (5)

- Q6 On 31.12.16 the following balances were extracted from the books of accounts of Matruka Prasad's business. (15)

Sl No.	Items	Lf	Dr Amt	Cr Amt
1	Capital			1,40,000
2	Building		80,000 ✓	
3	Net Sales			1,20,000
4	Net Purchases		85,000	
5	Opening stock		25,000	
6	Discount		850	
7	Bank Charges		425	
8	Salaries		12,500	
9	Sundry Debtors		38,000 ✓	
10	Creditors		25,000	
11	Wages		14,800	
12	Carriage inward		625	
13	Carriage outward		500	
14	Advertisement		1,300	
15	Bad Debt Provision			750
16	Rent			250
17	Cash		9,000 ✓	
18	Bank		18,000 ✓	
	Total		2,86,000	2,86,000

Prepare the final accounts for the year ending 31.12.16 after considering the following adjustments.

Closing stock – Rs 42,000

Building depreciation – Rs 7 %

Bad debt provision – Rs 600

Interest on capital to be allowed at 5 % per annum

Wages unpaid Rs 800

- Q7 a) What is a Cash Book ? What are the various types of cash books ? Cash account always shows debit balance . True or false ? Justify your answer. (5)
- b) From the following information prepare an appropriate cash book. (10)

Jan 1-	Opening cash balance	Rs 2,360
	Bank balance	Rs 4,500
Jan 2-	issued a cheque in favour of petty cashier	Rs 1,000
Jan 3-	Received a cheque from Gul	Rs 1,450
	and allowed a discount of	Rs 50
Jan 4-	Goods bought by cheque	Rs 3,240
Jan 5-	Withdrew Rs 1,000 for personal use.	
Jan 6-	Issued cheque to Shyam	Rs 2,420
	and received discount	Rs 80
Jan 7-	Cash sales	Rs 7,850
Jan 8-	Gul dishonoured her cheque.	
Jan 9-	Deposited into bank	Rs 2,000
Jan 9-	Received interest on investment	Rs 500
Jan 10-	Balance of cash at bank (Cr.)	Rs 3,160

Q8 Write short notes on the following (ANY THREE). (5×3)

- a) Owner's equity and outsider's equity
- b) Short term Investments
- c) Interest on Capital
- d) Bad debt recovered

1ST Semester Regular Examination 2016-17
BASIC FINANCIAL ACCOUNTING-I

BRANCH: INTEGRATED MBA

Time: 3 Hours

Max Marks: 100

Q.CODE: Y804

Answer Part-A which is compulsory and any four from Part-B.
The figures in the right hand margin indicate marks.

Part – A (Answer all the questions)

Q1 Fill in the gaps for the following questions: (2 x 10)

- a) A business owns -----and -----assets.
- b) A business what owns is -----and what it owes is -----
- c) An expense can be broadly divided into two parts namely----- and -----.
- d) Two examples of deferred revenue expenditures are-----and -----.
- e) Owner's equity is composed of -----and -----.
- f) In traditional approach of accounting the accounts can be maintained by -----and -----basis.
- g) Balance sheet can be prepared in the order of -----and -----.
- h) Provisions are made to meet anticipated ----- where as reserves are made from the profit which belongs to the -----.
- i) Revenue minus cost of goods sold is ----- but net sales revenue is sales minus -----.
- j) Capital is -----minus -----.

Q2 Answer the following questions: *Short answer type* (2 x 10)

- a) What is a cash book?
- b) Explain the meaning of going concern concept.
- c) What is an accounting equation?
- d) What is accounting cycle?
- e) What are the subsidiary books. Name them
- f) What are depreciation and appreciation? Explain with examples.
- g) Write a journal entry for sales outstanding Rs 50,000/-
- h) What are the golden principles of accounting?
- i) What are errors of commission? Give examples.
- j) What do you mean by Financial Statements?

Part – B (Answer any four questions)

- Q3
- a) Who are the stakeholders of a business? Explain their need for accounting information. (10)
 - b) What are the limitations of accounting? (5)

Q4 What do you mean by basic accounting concepts and conventions? Discuss the concepts and conventions. (15)

Q5 Journalise the following transactions for the month of January , 2016 (15)

- 2 Started a business with Rs 1,00,000/-
Paid into the bank Rs 50,000/-
- 3 Bought furniture for cash Rs 5,000/-
- 5 Bought goods for Rs 30,000/-
- 6 Sold goods for cash Rs 6,000
- 10 Bought one computer for Rs 18,000
- 13 Sold goods to M/S Ramayya for Rs 10,000 on credit
- 14 Bought goods from M/s Mahindra for Rs 20,000 on credit
- 15 Paid telephone charges Rs 2,400, Advertisement Rs 2,000
- 16 Paid Salaries Rs 3,000
- 20 Sold goods to Mr Lal Rs 8,000 for cash
- 25 Withdrew cash from bank Rs 300/-
- 30 Bought one delivery van for Rs 3,00,000 on credit from M/S Mahindra and Mahindra Co.

Q6 a) Show the accounting equation on the basis of following transactions: (10)

- a. Rajesh started business with cash Rs 50,000/-
- b. Purchased equipment for cash Rs 7,000/-
- c. Purchased goods on credit Rs.2000/-
- d. Paid Rs 1500 to creditors
- e. Sold goods for cash Rs 2000/- (cost price Rs.1200/-)
- f. Business Expenses made Rs 750/-
- g. Depreciation on equipment Rs. 200/-
- h. Purchased goods for cash Rs 1,000/-
- i. Rent outstanding Rs 1200/-
- j. Taken a bank loan from SBI Rs 20,000/-

b) Identify the nature of the following accounts (5)

- a. Depreciation
- b. Insurance premium
- c. Dividend
- d. Plant and Machinery
- e. Goodwill

Q7 a) Differentiate between Revenue and capital expenditures (10)

b) Classify the following expenses between capital and revenue (5)

- a. Cost of repainting the factory shed
- b. Overhauling of an old machine
- c. Legal expenses incurred for raising a loan
- d. Compensation paid to the injured employee
- e. Purchased a second hand machine



Q8

From the following information, prepared the trading, profit and loss account and balance sheet of a trader for the year ending 2015-16

(15)

Creditors -100000
Bills payable 5600
Loan from SBI- 50,000
Capital -4,54,000
Sales -6,30,000
Purchase Returns -Rs 5000
Discount earned -1000
Bad debt re covered -3500
Interest on investment -3000
Fixed Assets -300000
Opening Stock- 75000
Debtors - 2,05,000
Bill receivables - 10000
Investments -50,000
Cash in hand - 5000
Cash at bank- 10,000
Drawing -9000
Purchases -5,25,000
Sales Return - 10,000
Carriage - 1400
Freight outward - 2000
Duty paid on purchases- 1600
Primary packaging expenses -2000
Rent paid -3000
Insurance paid - 3600
Office expenses 13,200
Discount allowed -2000
Bad debts - 5000
Interest on loan - 2500
Delivery expenses - 6600
Selling and Distribution Expenses - 10,000
Income Tax paid - 1000
VAT collected - 2000
Loose Tools- 2000
Commission received - 800
Closing Stock- 40,000