

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2024 ONLY)

24UBM204

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : MARCH-2025

B.B.A.

II SEMESTER

MAXIMUM MARKS: 75

TIME : 3 HOURS

**PART – III**  
**FINANCIAL ACCOUNTING**

**SECTION – A**

(10 X 1 = 10 MARKS)

**ANSWER THE FOLLOWING QUESTIONS.**

**MULTIPLE CHOICE QUESTIONS.**

(K1)

1. The basic function of financial accounting is to \_\_\_\_\_.  
a) Record all business transactions  
b) Interpret the financial data  
c) Assist the management in performing functions effectively  
d) None of these
2. Sales Book records \_\_\_\_\_.  
a) Cash sales  
b) Sales of assets on credit  
c) Sales of goods on credit  
d) Sales of loose tools
3. Account is prepared to know the trading results or gross profit is \_\_\_\_\_.  
a) Trading a/c  
b) Profit/Loss a/c  
c) Balance sheet  
d) Cash a/c
4. Depreciation is provided on \_\_\_\_\_.  
a) Fixed assets  
b) Outward charges  
c) Current assets  
d) Intangible assets
5. A single entry system is \_\_\_\_\_.  
a) Complete and scientific system  
b) Incomplete and unscientific  
c) Incomplete and scientific  
d) complete and unscientific

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.**

(K2)

6. Define Double entry system.
7. Construct the meaning of Error.
8. Explain the term final accounts.
9. Define Depreciation.
10. Indicate the key components required for the Conversion Method.

**SECTION – B**

(5 X 5 = 25 MARKS)

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the various conventions of accounting.

(OR)

- b) Prepare journal entries for the following transactions,  
2010 June 1 Kumar started business with cash Rs.10000  
2 Paid salary for the staff Rs.500  
5 Sold goods to Krishna for cash Rs.5000  
15 Purchases from Ganesan Rs.2500

- 12.a) Record the following transactions in the proper subsidiary books of M/s.Ram & Co., 2013  
April 1 Goods sold to Ramesh Rs.1,000  
5 Sold goods to Kumar Rs.2,200  
8 Sold goods to Shankar Rs.300  
10 Goods returned by Kumar Rs.600  
15 Credit Note sent to Shankar for Rs.200 being the invoice overcharged.

(CONTD.....2)

(OR)

12.b) Rectify the following errors

- a) Purchase book is carried forward Rs.350 less.
- b) Sales book total is carried forward Rs.500 more.
- c) A total of Rs.758 in the purchase book has been carried forward as Rs.857.
- d) The total of the sales book Rs.755 on page 20 was carried forward to page 21 as Rs.557.
- e) Purchase returns book was carried forward as Rs. 1520 instead of Rs.5, 120.

13. a) What is the purpose of preparing a Balance Sheet?

(OR)

b) Prepare Trading account of Kumar for the year ended 31<sup>st</sup> Des 2020 from the following information:

Particulars	Rs.
Opening stock	80,000
Purchases	8,60,000
Freight inward	52,000
Wages	24,000
Sales	14,40,000
Purchase returns	10,000
Sales returns	3,16,000
Closing stock	1,00,000
Import duty	30,000

14. a) Examine the causes of Depreciation.

(OR)

- b) Suri & sons has purchased an asset for Rs. 30,500. it has spent an amount of Rs.1,500 for installation. The useful life of the asset is 5 years and its scrap value is Rs.2,000. Depreciation is to be provided annually according to the straight line method. Find out the rate of depreciation.

15.a) Examine the features of Single entry system.

(OR)

- b) Determine the profit from the following data.

PARTICULARS	RS
Capital at the beginning of the year	8,00,000
Drawings during the year	1,80,000
Capital at the end of the year	9,00,000
Capital introduced during the year	50000

## SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4 (Or) K5)

16. a) Describe the various accounting concepts.

(OR)

- b) Prepare a Trial Balance from the following details:

Capital	16800	Opening stock	21000
Drawings	5000	Purchases	36000
Sales	72000	Purchase Returns	2000
Sales Returns	3000	Debtors	4500
Creditors	2500	Furniture	900
Bills Receivable	2300	Bills Payable	4200
Wages	1200	Advertisement	600
Discount Allowed	100	Commission received	600
Machinery	20000	Cash	3500

(CONTD .... 3)

17.a) Prepare a single column cash book for the month of January 2018 from the following

Jan 2018	PARTICULARS	Rs
1	Cash in hand	2,000
2	Goods sold	18,000
4	Paid salaries to employees	10,000
6	Payment made to a creditor A by cheque	5,000
8	Cash sales of Rs. 30,000 out of which Rs. 5,000 immediately deposited into bank.	
9	Cash sales of Rs. 28,000 out of which Rs. 10,000 was deposited into bank on 12 <sup>th</sup> January	
15	Purchased goods from Hari Ram	6,000
18	Paid to transporter	1,000
19	Sold goods to Manik Chand	3,000
28	Paid electricity bill	500
30	Paid to Mr. Sharma Rs.140 and discount received Rs.10	

(OR)

b) Discuss the various types of Errors in accounting..

18. a) Prepare Profit and Loss Account for the year ended 31<sup>st</sup> March, 2020 from the following particulars :

Particulars	Rs.	Particulars	Rs.
Gross profit	90,500	Discount allowed	600
Trade expenses	2,400	Lighting	4,100
Rates and taxes	1,200	Interest on investment	500
Carriage outwards	7,500	Commission received	600
Salaries	13,600	Bad debts	1,000
Postage and telegram	2,400	Discount (Cr.)	600
Rent	9,000	Interest on loan	1,800
Legal charges	2,000	Stable expenses	1,600
Audit fee	2,400	Export duty	2,200
Depreciation	2,000	Miscellaneous receipts	200
Donation	500	Unproductive wages	2,100
General expenses	1,500	Travelling expenses	3,500
Selling expenses	4,000		

(OR)

b) From the following balances extracted from the books of X & Co., prepare a trading and profit and loss account and balance sheet on 31st December, 2021.

Particulars	Rs.	Particulars	Rs.
Opening stock	11,000	Returns outwards	500
Bills receivables	4,500	Trade expenses	200
Purchases	39,000	Office fixtures	1,000
Wages	2,800	Cash in hand	500
Insurance	700	Cash at bank	4,750
Sundry debtors	30,000	Rent and taxes	1,100
Carriage inwards	800	Carriage outwards	1,450
Commission (Dr.)	800	Sales	60,000
Interest on capital	700	Bills payable	3,000
Stationary	450	Creditors	19,650
Returns inwards	1,300	Capital	17,900

The stock on 31st December, 2021 was valued at Rs.25, 000.

(CONTD.....4)

- 19.a) Rohan Ltd. purchased Machinery on 1<sup>st</sup> May, 2009 for Rs. 60,000. On 1<sup>st</sup> July, 2010 it purchased another Machine for Rs. 20,000. On 31<sup>st</sup> March, 2011 it sold off the first machine purchased in 2009 for Rs. 39,000. Depreciation is provided at 20% on the original cost each year. Accounts are closed each year on 31<sup>st</sup> December. Show the Machinery account from 2009 to 2011.

(OR)

- b) A company purchases a machine for Rs.50,000, and the machine has an estimated useful life of 5 years with no residual value. The company decides to use the annuity method of depreciation and chooses a depreciation rate of 25% for the calculation.

- 20.a) Find out purchases and sales from the following details by making necessary accounts:

Particulars	Amt(Rs.)
Opening balance of debtors	30,000
Opening balance of creditors	10,000
Collection from debtors	1,60,000
Discount received	2,500
Bad debts	1,000
Payment to creditors	14,000
Discount allowed	1,500
Return inwards	2,000
Return outwards	3,000
Cash purchases	6,000
Cash sales	10,000
Closing balance of debtors	35,000
Closing balance of creditors	15,000

(OR)

- b) Sunny commenced business on January 1, 2009 with capital of Rs. 1,00,000. He immediately bought furniture and fixtures for Rs. 20,000. On 30 June, 2009, he borrowed from his wife Rs. 50,000 @9% p.a. (interest not yet paid) and introduced a further capital of his own amounting to Rs. 15,000. X drew at the rate of Rs. 3,000 p.m. at the end of each month for household expenses. On 31 December 2009 his financial position was as under:

Particulars	Rs.	Particulars	Rs.
Cash in hand	28,000	Bills Receivable	16,000
Sundry Debtors	48,000	Sundry Creditors	5,000
Stock	68,000	Owing for Rent	1,500

Calculate profit or loss X for 2009

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ETHICAL PAPER