

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2025 ONLY)

25UBM204

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI  
END-OF-SEMESTER EXAMINATIONS : April-2026

B.B.A  
SEMESTER: II

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. Recall principal object of bookkeeping is:\_\_\_\_\_.
  - (a) Keeping written records of transaction
  - (b) Keeping written records of expenditure
  - (c) Ascertainment of financial results
  - (d) Ascertainment of debit and credit
2. Choose amount of discount which is deducted from an invoice.\_\_\_\_\_.
  - (a) Trade discount
  - (b) Cash discount
  - (c) Offer
  - (d) Trade Off
3. Select from the following Manufacturing A/c is prepared to find out \_\_\_\_\_.
  - (a) Loss of Production
  - (b) Gross Profit
  - (c) Net Profit
  - (d) Financial Position
4. Match the below options that Depreciation is\_\_\_in the value of asset.
  - (a) decline
  - (b) increase
  - (c) value added
  - (d) Financial benefit
5. Which among the below mentioned options that Capital in the beginning of the year is ascertained by preparing: \_\_\_\_\_.
  - (a) Cash account
  - (b) Opening statement of affairs
  - (c) Total debtors
  - (d) Closing statement of affairs

**(CONTD.....2)**

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

**(K2)**

6. Indicate Doctrine in Accounting.
7. Interpret Cash Discount.
8. Illustrate Deferred Revenue Expenditure
9. Indicate any two methods of depreciation.
10. Construct any two advantages of single entry system.

**SECTION – B**

**(5 X 5 = 25 MARKS)**

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

**(K3)**

11. a) Sketch out the Journal entries : 2008, Aug. 9: Purchased a plot of land for Rs. 1,00,000  
 Aug. 10: Purchased furniture on credit from MM Company for Rs. 50,000  
 Aug. 11: Old computer sold for Rs. 5,000

**(OR)**

- b) Describe the Accounting Conventions.

12. a) Show the following transactions in Purchase Return Book of Jalpa & Company and post them to ledger.

2002 Feb.

1. Returned goods to Reema & Co. of `700.
1. M/S Keshav Stores received goods returned by us `500.
10. Machine costing `4,000 Returned to M/s Seema Engineering Work because it is not working well.
18. Returned goods to Kanta Stores as they were defective of `200.
25. Sent debit note to Reshma & Co. of `400 for goods returned.
28. Returned goods to Janata stores of `300 as it was defective and received cash for it.

**(OR)**

- b) Compute Prithvi Limited's necessary rectification entries in the cashbook and then prepare a reconciliation statement.

On March 31, 1991, the cash book of Prithvi Limited showed a bank balance (debit) of ₹48,500. However, the bank statement showed a credit balance of ₹ 53,900 as on the same date. A detailed comparison of entries revealed the following:

- (a) Customers' cheques amounting to ₹ 8,450 had not been collected by the bank as on 31.3.1991.
- (b) Certain cheques amounting to ₹8,850 had not been presented for payment as on 31.3.1991.
- (c) Bank charges of ₹ 1,000 and interest on investments of ₹ 2,500 collected by the banker appear only in the bank statement.
- (d) A wrong credit of ₹2,500 in the bank statement.
- (e) Swaroop Limited, a customer, had paid into the bank directly a sum of ₹ 3,000 on March 29, 1991. This has not been recorded in the Cash Book.
- (f) A cheque for ₹ 2,000 received from Excel Limited, a customer, and deposited had been returned unpaid. The dishonour of this cheque has not been entered in the Cash Book.

**(CONTD.....3)**

- 13.a) Compute Trading Account of Archana for the year ending 30-12-2014 from the following information:

Particulars	₹
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
Sales Returns	1,00,000
Import duty	30,000

(OR)

- b) Examine the Features of Manufacturing Account

14. a) Solve this and compute the machinery Account for three years.

A company purchased Machinery worth ₹ 1,00,000/- on 1<sup>st</sup> March, 1985. Accounting year of the company closes on 31<sup>st</sup> March, every year. Company provides depreciation at 10% p.a. on the original cost. On 31<sup>st</sup> March, 1988, the machinery was sold for ₹ 1,20,000/-

(OR)

- b) The Machinery Account in the books of Ramji & Co., showed a balance of ₹ 7,540/- as on 1<sup>st</sup> January, 1990. They purchased a new Machinery of ₹ 2,200/- on 1.7.1990. They have also sold an old machine on 1.1.1990 at a price of ₹ 5,000/-. This Machine was purchased on 1.1.1987 for ₹ 7,500/-. Ramji & Co., write off depreciation @ 20% on Reducing Balance Method. Assess Machinery Account for the year 1990.

15. a) Compare Statements of Profit or Loss with Profit & Loss A/c

(OR)

- b) Compute the Accounts of Mr. Ram, who keeps his books in single-entry. He gives you the following information from which he requires you to ascertain his profit or loss during the year ended 2012:

	1 <sup>st</sup> Jan 2012	31 <sup>st</sup> Dec 2012
	₹	₹
Bank Balance	740 Cr.	400 Dr.
Cash in hand	-	10
Sundry debtors	5,100	8,800
Sundry creditors	1,300	1,950
Stock	1,700	1,900
Plant	2,000	2,000
Furniture	140	140

Ram had withdraws ₹ 250 p.m. during the year but had introduced fresh capital of ₹ 600 on 1<sup>st</sup> July, 2012. A provision of 5% on Sundry Debtors is necessary. Write off depreciation on plant at the rate of 5%. Interest on capital is to be allowed @ 5% p.a.

(CONTD.....4)

## SECTION – C

(5 X 8 = 40 MARKS)

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

- 16.a) Journalise the following transactions in the books of Mr. Kalpesh. 2014  
 January 1 Mr. Kalpesh started diamond business with cash ` 10,00,000.  
 5 Mr. Kalpesh bought a raw stones of ` 4,50,000 as his capital.  
 8 Sold diamonds to Mr. Rahul for ` 7,00,000.  
 10 Purchased an Air condition for business ` 70,000.  
 13 Mr. Rahul paid cash ` 4,00,000 on a/c.  
 15 Paid labor charges ` 85,000.  
 18 Received commission ` 35,000.  
 22 Received cash from Mr. Rahul ` 2,80,000.  
 25 Paid electricity bill ` 3,000.  
 26 Diamond packet sold for ` 1,25,000.  
 30 Balance amount due from Mr. Rahul is not recoverable.  
 31 Withdraw for personal use ` 1,00,000

(OR)

- b) On 31st March, 2008 the totals of debit and credit sides of various ledger accounts and receipts and payments sides of cash and bank columns of cash book of Ronak were as under:

Sr. No.	Account Head	L.F.	Dr. `	Cr. `
1	Customers		15,80,000	12,40,000
2	Suppliers		8,75,000	10,90,000
3	Fixed assets		2,55,000	42,000
4	Stockon31/3/2008		1,00,000	–
5	Cash		2,45,000	2,43,000
6	Bank of India		8,90,000	9,50,000
7	Bank of Baroda		5,80,000	5,75,000
8	Purchases		9,00,000	25,000
9	Sales		30,000	13,00,000
10	Purchase returns		–	40,000
11	Sales returns		50,000	–
12	Expenses		60,000	–
13	Interest		50,000	–
14	Lenders		2,00,000	5,00,000
15	Advances to suppliers		2,65,000	55,000
16	Advances from customers		1,20,000	1,30,000
17	Capital		3,00,000	3,10,000
			<b>65,00,000</b>	<b>65,00,000</b>

Determine Gautam's trial balance.

- 17.a) Determine the following transactions in the single column cash book of Gopichand. March, 2014`  
 1st Commenced business with cash 20.000  
 2nd Bought goods for cash 5.000  
 3rd Sold goods for cash 4.000  
 4th Goods purchased from Ravi Kumar 10.000  
 10th Paid to Ravi Kumar 7.000  
 14th Cash sales 8.000  
 18th Purchased furniture for office 4.000  
 22nd Paid wages 500.

(CONTD.....5)

25th Paid rent 600  
 30th Received commission 4.000  
 30th Withdrew for personal purpose 1.000  
 31st Paid salary 900

(OR)

b) Inspect the following transactions in an analytical petty cash book. Also open relevant ledger accounts. 2014 Nov`

1st Received a cheque for petty cash 1,000  
 2nd Paid bus fare to messengers 50  
 4th Paid auto fare 70  
 10th Postal stamps purchased 80  
 12th Paid for stationery 90  
 15th Paid for carriage 60  
 16th Purchased envelopes 50  
 20th Wages paid 100  
 25th Tips given to driver 50  
 30th Telephone calls paid 20

18. a) From the following trail balance extracted from the books of Kamalnath. Outline Trading and profit and loss Account and balance sheet for the year ended 31-12-14.

<b>Debit balances</b>	~	<b>Credit balances</b>	~
Cash at bank	2,610	Creditors	4,700
Book debts	11,070	Discounts	150
Salaries	4,950	Creditors for expenses	400
Carriage inwards	1,450	Returns outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad debts	1,310	Capital	40,000
Office expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation	1,200		
Freehold property	10,800		
	<b>1,28,180</b>		<b>1,28,180</b>

**Adjustments**

- (i) Make provision for doubtful debts at 5%.
- (ii) Calculate discount on creditors @ 5%.
- (iii) Office expenses include stationery purchased`800.
- (iv) Carriage inwards includes carriage paid on purchase of furniture`50.
- (v) Outstanding salaries`150.
- (vi) Prepaid insurance`300
- (vii) Stock on hand`10,700 (including stationery stock`200)

(OR)

18.b) The following figures have been extracted from the records of Fancy Stores, a proprietor concern as at 31<sup>st</sup> December, 2014.

Particulars	₹	Particulars	₹
Furniture	15,000	Insurance	60,000
Capital	5,40,000	Rent	2,20,000
Cash in hand	30,000	Sundry debtors	6,00,000
Opening stock	5,00,000	Sales	60,00,000
Fixed deposits	13,46,000	Advertisements	1,00,000
Drawings	50,000	Postage and telephone	34,000
Provision for bad debts	30,000	Bad debts	20,000
Cash at Bank	1,00,000	Printing and stationery	90,000
Purchases	30,00,000	General charges	1,30,000
Salaries	1,90,000	Sundry creditors	4,00,000
Carriage inwards	4,10,000	Deposit from customers	60,000

Analyse and prepare Trading and Profit and Loss account and Balance Sheet after taking into consideration the following further information:

- (i) The closing stock as on 31-12-2014 was ₹ 1,00,000.
- (ii) A sale of ₹ 2,50,000 made for cash had been credited to the purchases accounts
- (iii) Salary of ₹ 20,000 paid to an employee had been entered in the cash book bank column as ₹ 10,000.
- (iv) Charge depreciation on furniture at 10%.
- (v) Furniture had been sold during the year for ₹ 1,00,000 and the proceeds had been credited to furniture account. The written down value of furniture sold was ₹ 50,000.
- (vi) Sum of ₹ 1,00,000 received from a party which had purchased some stock belonging to a separate business of the proprietor was credited to the sundry debtors account.
- (vii) The proceeds of a matured fixed deposits amounting to ₹ 2,54,000 had been credited to the fixed deposit account. The original amount of the deposit was ₹ 2,00,000.
- (viii) There was an outstanding liability for rent of ₹ 20,000.
- (ix) An advance of ₹ 10,000 paid to an employee in January 1996 had been debited to the salary accounts
- (x) The office premises were sublet from December 2014 for a monthly rental of ₹ 10,000, but the rent for December has not yet been received.

19.a) A Machinery having original cost in the books as on 1<sup>st</sup> April, 2008 at ₹ 20,000 was sold for ₹ 12,000 on 30<sup>th</sup> September 2008. ₹ 7,500 was set aside by the firm by way of depreciation on the Machinery up to 31<sup>st</sup> March 2007.

On 1<sup>st</sup> January 2009 new Machinery was purchased for ₹ 25,000

The accounts were closed on 31<sup>st</sup> March every year and depreciation was provided @ 10% on original cost of Machinery.

Categorize the Journal Entries and Prepare and necessary ledger accounts, if Provision for Depreciation Account is maintained for the year 2008-09

(OR)

b) Investigate the differences between provisions and reserves

(CONTD.....6)

20. a) Shah and Rao are partners' sharing profits and losses in the ratio of 3:2 after charging interest on capital @ 6% p.a. interest on drawings is signed. On 1st July, 2011 their position was as under:

Liabilities		₹	Assets		₹
Sundry creditors		14,300	Machinery		20,000
Capitals:			Stock		12,000
Shah	20,000		Sundry debtors		11,000
Rao	15,000	35,000	Cash at bank		4,000
			Furniture		2,000
			Prepaid insurance		300
		<b>49,300</b>			<b>49,300</b>

During the year ended 30<sup>th</sup> June, 2012 shah had drawn ₹5,000 and Rao had Drawn ₹3,500 for their private purposes. On 30<sup>th</sup> June, 2012 the assets and liabilities were:

Sundry debtors	12,000
Stock	18,000
Cash at bank	4,500
Prepaid insurance	200
Sundry creditors	13,700
Expenses owing	600

Machinery and Furniture were the same as previously but depreciation @ 10% p.a. was to be written off. Evaluate the statement of profit for 2011-12 and the statement of affairs as at 30<sup>th</sup> June 2012.

(OR)

- (b) Construct this sum with Drawings as a Percentage of Net Profit

	1-4-11	31-3-12
Mr.Pawan had following assets and liabilities:		
Cash in Hand	5,000	6,000
Bank Balance	12,000	29,000
Stock	25,000	24,000
Sundry Debtors	10,000	18,000
Furniture	20,000	?
Equipments	30,000	?
Sundry Creditors	15,000	12,000

During the year he introduced ₹7,000 as additional Capital. He has withdrawn 75% of the profits earned. Depreciation on furniture and equipments is to be charged @ 10% p.a.

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**ETHICAL PAPER**