

II Semester B.B.M. Examination, June/July 2010
FINANCIAL ACCOUNTING – I

Time : 3 Hours

Max. Marks : 80

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks : **(5×2=10)**
- a) Define accounting equation.
 - b) Define book keeping.
 - c) State any two reasons for maintaining petty cash book.
 - d) What are the main objectives of subsidiary books ?
 - e) Write short notes on accrual basis of accounting.
 - f) What is real account ? Give examples.
 - g) What is depreciation ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**
- 2. What are the differences between accrual basis and cash basis of accounting ?
 - 3. Write short notes on single column cash book, double column cash book and triple column cash book.
 - 4. What is sales book and how is it different from a sales return book ?
 - 5. Give the meaning of reserves and provisions with suitable examples.
 - 6. Pass journal entries for the following transactions :
 - i) Received Rs. 975 from Nagesh in full settlement of his account for Rs. 1,050.
 - ii) Paid rent in advance Rs. 1,500.
 - iii) Rent due to landlord Rs. 2,000.
 - iv) Received cash Rs. 1,000 for a bad debt written off in a previous year.

P.T.O.

SECTION – C

(5×10=50)

Answer **any five** questions. **Each** question carries **ten** marks :

7. Define accounting and discuss its main objectives.
 8. Explain the accounting concepts and conventions.
 9. Define cash book and explain different types of cash book.
 10. Explain the various methods of depreciation. Which method is more relevant and why ?
 11. State the traditional classification of accounts. What are the rules of debit and credit ?
 12. Define accounting theory and explain general accepted accounting principles.
 13. The original cost of furniture amounted to Rs. 4,000 and it is decided to write off 5% on the original cost as depreciation at the end of each year. Show the ledger account as it will appear during the first four years. Show also how the same account will appear if it was decided to write off 5% on the diminishing balance of the amount each year.
 14. What are the functions of trial balance ? Prepare a trial balance with imaginary figures.
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