

II Semester B.B.M. Examination, June/July 2011
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) What is Journal ?
- b) Define book-keeping.
- c) What are the main objectives of subsidiary book ?
- d) What are fixed assets ?
- e) What is convention of conservatism ?
- f) What is Real account ? Give examples.
- g) What is contra entry ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

- 2. What do you mean by Petty cash book ? Why it is maintained ?
- 3. Differentiate between Journal and Ledger.
- 4. Give Journal entries for the following transactions :
 - Mr. Raj started business by cash Rs. 5,00,000
 - Bought goods Rs. 40,000
 - Sold goods to Ram on credit Rs. 4,650
 - Deposit into bank Rs. 8,000
 - Paid salary Rs. 4,600
 - Withdrew from bank for personal use Rs. 3,000.
- 5. What is GAAP ? Explain.
- 6. What are sales book ? How it is different from sales returns book ?

P.T.O.

SECTION – C

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

(5×10=50)

7. Define accounting equation. Explain the procedure for developing an accounting equation.
8. Define depreciation and state the causes and need for depreciation.
9. State the merits and demerits of straight line method and written down value method of depreciation.
10. Who are the users of accounting information ? Explain their areas of interest in accounts.
11. Explain the various classes of accounts and the corresponding rules for debit and credit.
12. Explain different types of cash books and their needs.
13. From the following information ; find out the credit sales and credit purchase for the year 2009 :

	Rs.
Balance of Debtors on 1-1-2009	12,000
Balance of Creditors on 1-1-2009	7,600
Cash paid to creditors	20,000
Discount allowed by them	500
Return inward	5,000
Return outward	2,400
Cash received from customers	45,000
Discount allowed by them	3,000
Bills received from customers	17,000
Bills accepted	4,600
Bad Debts	1,500
Bills receivable dishonored	3,500
Debtors on 31-12-2009	10,000
Creditors on 31-12-2009	9,500

14. Explain the various accounting concepts and conventions.
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