

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)**  
**EXAMINATION: JUNE - 2022**

**SEMESTER - I**

**Sub.: Principles of Financial Accounting (BBA15-112)**

**Date :- 22/06/2022**

**Total Marks : 60**

**Time: 10.00 am to 12.30 pm**

**Instructions:** 1) The paper consists of two sections I and II.  
2) All questions are compulsory.

**SECTION – I**

**Q. 1. Answer in Detail. (Any Two) (20)**

1. What is accounting? Explain merits and limitations of accounting
2. Explain any 10 methods of depreciation
3. From the following information prepare simple column cash book  
Opening balance of cash Rs- 10,000  
Cash sales Rs- 5,000  
Cash purchases Rs- 2,000  
Received cash from Anil Rs- 5,000  
Paid telephone bill Rs- 2,000  
Goods sold for cash Rs- 2,000  
Paid salary in cash Rs- 2,000  
Paid maintenance charges Rs- 1,000  
Paid wages in cash Rs- 700

**Q. 2. Solve the following: Journal entries (compulsory) (10)**

Journalise the following transaction in the books of ABC Ltd.  
Started the business with cash Rs- 50000 and machinery Rs- 1,50,000  
Deposited cash in to State bank of India by depositing Rs- 50,000  
Purchased goods for cash Rs- 20,000  
Sold goods for Rs- 15,000  
Purchased goods on credit from Pooja Rs- 25,000  
Sold goods on credit to Atul Rs- 30,000  
Paid electricity goods Rs- 1,500  
Paid salary Rs- 5,000  
Received commission Rs- 2,000  
Received interest Rs- 1,500  
Deposited cash in to bank RS- 10,000  
Withdraw cash for personal use Rs- 5,000

**Q. 3. Write short notes: (Any Three) (15)**

1. Explain fixed assets and current assets
2. LIFO
3. Systems of accounting
4. Types of account and there rules

## SECTION – II

**Q. 4. Choose the most appropriate option.**

**(10)**

- 1) Cash account is a -----
  - a) personal account
  - b) real account
  - c) nominal account
  - d) None of the above
- 2) Salary of foreman should be classified as a ----
  - a) fixed overhead
  - b) semi variable overhead
  - c) variable overhead
  - d) direct labour
- 3) Under FIFO method
  - a) goods purchased first, are issued at last
  - b) goods are always issued last
  - c) goods purchased first are issued or sold first
  - d) none of the above
- 4) ----- may be defined as the measure of the exhaustion of the effective life of an asset from any cause during a given period
  - a) Liquidation
  - b) depreciation
  - c) amalgamation
  - d) admission of partner
- 5) A statement of business assets and liabilities at a particular moment in time is called -----
  - a) trail balance
  - b) balance sheet
  - c) sources and application of funds statement
  - d) profit and loss account
- 6) The term depreciation is used in relation to-----
  - a) current assets
  - b) wasting assets
  - c) fixed assets
  - d) intangible assets
- 7) Return of goods bought is entered in ----
  - a) purchase return book
  - b) journal proper
  - c) sales return book
  - d) purchase and return account
- 8) All expenses connected with the production are recorded in the ----
  - a) trading account
  - b) profit and loss account
  - c) manufacturing account
  - d) capital account
- 9) Rectification of errors are carried out in order to
  - a) to indicate true profit and loss account
  - b) to correct defective accounts
  - c) to indicate true financial position
  - d) all of above
- 10) Wages account is
  - a) real account
  - b) nominal account
  - c) personal account
  - d) none of the above

**Q. 5. TRUE OR FALSE**

**(5)**

1. Bank reconciliation statement prevents frauds
  2. Bombay municipal corporation is real account
  3. Debit all the expenses and losses , credit all the income and gain
  4. Balance sheet is prepared any time of the year
  5. Debentures is an asset
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