

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
EXAMINATION: DECEMBER - 2022
SEMESTER - I

Sub.: Fundamentals of Financial Accounting (BBA22-112)

Date : 20/12/2022

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

- Conservatism concept means.....
 - Transactions recorded at accrual concept
 - Assets = capital + liabilities
 - Anticipate no profit but recognize all losses
 - Expenses should be matched with the revenue of the period.
- The rule debit receiver and credit giver is relates to
 - Nominal Accounts
 - Real Accounts
 - Personal Accounts
 - All of the given
- Which of the following is the opening balance of a ledger account?
 - Balance b/d
 - Balance u/d
 - Balance c/d
 - Balance d/d
- Profit and Loss Account is a..... Account
 - Personal
 - Nominal
 - Real
 - None
- Goods withdrawn by a proprietor from business for personal use is recorded as in the books of accounts.
 - Capital
 - Expense
 - Drawing
 - Income

Q. 2. State True / False (05)

- A transaction is not concerned with money or money's worth.
 - True
 - False
- Non trading Concern is any activity done with intention to earn money.
 - True
 - False
- Trial Balance is prepared after preparation of of Final Account.
 - True
 - False
- Commission received can be treated as incon
 - True
 - False
- Bank of Maharashtra is an example of a personal account.
 - True
 - False

Q. 3. Write Short notes on (Any Three) (15)

- Classification of Accounts
- Financial Accounting
- Trial Balance
- Discounts
- Journal Entry

Q. 4. Answer in detail (Any Two)**(20)**

1. From the following information prepare necessary ledger accounts in the books of Mr. Maruti
 - a) 1st December 2022 started business with cash Rs16,000.
 - b) 9th December 2022 Purchased goods on credit from Mr. Sudarshan Rs. 30,000 at 10% T.D.
 - c) 11th December 2022 Cash sales Rs. 40,000 st 5% CD.
 - d) 14th December 2022 Paid Rent Rs. 9,000.
 - e) 15th December 2022 Cash Purchases Rs. 8,000
 - f) 24th December 2022 Credit sales to Mr. Tupe Rs. 20,000.
 - g) 27nd December 2022 Paid cash to Mr. Sudarshan Rs. 27,000.
 - h) 28th December 2022 Received cash from Mr. Tupe Rs. 10,000.
 - i) 29th December 2022 Paid wages Rs. 500.
2. Prepare a trial balance as on 31st March 2022 from the following list of balances:

Return Outwards	4,000	Bills Receivable	16,000
Wages & Salaries	41,600	Discount (allowed)	6,400
Drawing	12,000	Cash in Hand	32,000
Capital	4,00,000	Debtors	2,00,000
Advertisement	20,800	Plant & Machinery	96,000
Reserve for Doubtful Debts	5,600	Freehold Property	64,000
Opening stock	48,000	Bad Debts	1,600
Purchases	3,20,000	Bills Payable	24,000
Royalties paid	8,000	Office Rent	13,600
Trade Expenses	5,600	Reserve Fund	16,000
Sales	5,60,000	Furniture	24,000
Salaries	24,000	Investment	64,000
Creditors	1,20,000	Motor Van	1,20,000

3. Aaditi started her business of designer jackets. She provided the following information. You are requested to help her to pass necessary journal entries.
 - a. 1st July 2022 started business with cash Rs. 3,00,000.
 - b. 2nd July 2022 Cash deposited in bank Rs. 1,00,000
 - c. 6th July 2022 Purchased raw material on credit from Mohini Traders, Mumbai Rs. 60,000 at 5% T.D.
 - d. 9th July 2022 Cash sales Rs. 48,000 at 10% CD.
 - e. 13th July 2022 she paid Shop Rent Rs. 38,000.
 - f. 15th July 2022 Cash Purchases Rs. 76,000.
 - g. 23th July 2022 Credit sales to Mrs. Gayatri Rs. 50,000.
 - h. 25nd July 2022 Paid cash to Mr. Ganesh Rs. 5,400
 - i. 23rd July 2022 Received cash from Mrs. Gayatri Rs. 40,000.
 - j. 30th July 2022 Withdrew cash Ra. 4,000 for personal use.

Q. 5. Case study.**(15)**

1. Accounting is an art, and not a science lie physics or mathematics, where methods can be validated by natural laws. A generally accepted set of rules can provide a unity of understanding and also a unity of approach in the practice of accounting. In developing the structure of accounting theory and to relate the theory to accounting practice, the accounting profession has agreed to take for granted certain basic concepts. Explain these concepts with examples.