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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) /
(BBA IN RETAIL MANAGEMENT)

EXAMINATION: MAY- 2024

SEMESTER - II

Sub.: Financial Accounting (BBA23-212/BBA-RM23-212)

Date : 16/05/2024

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)

1. Closing Stock is recorded in a Balance Sheet under
 - a) Current Assets
 - b) Liability
 - c) Capital
 - d) Debit side
2. Joint venture is a type of partnership.
 - a) Temporary
 - b) a and c
 - c) Permanent
 - d) None of the given
3. Departmental Accounting facilitates
 - a) Comparison of trading results
 - b) Intelligent planning and control
 - c) Evaluating departmental performance
 - d) All of the given
4. Del-credere commission is given for
 - a) Sales at higher price than specified
 - b) Covering the risk of bad debts
 - c) Normal Sales
 - d) Extra ordinary sales
5. In Piecemeal Distribution of Cash, Realisation expenses paid off
 - a) Preferentially
 - b) Never
 - c) anytime
 - d) at last

Q. 2. State True / False (05)

1. A co-venture is prohibited by law from carrying on a business similar to that of the co-venture.
 - a) True
 - b) False
2. Balance Sheet is generally prepared on a last day of a financial year.
 - a) True
 - b) False
3. Surplus Capital is calculated under maximum loss method of piecemeal distribution of cash.
 - a) True
 - b) False
4. In Departmental Accounting, rent is distributed on the basis of area occupied by each department.
 - a) True
 - b) False
5. Joint Venture Account records all transactions done under joint venture business.
 - a) True
 - b) False

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

1. Basis of allocation of expenses in Departmental accounts
2. Types of commission in a consignment business
3. Parts of Final Account
4. Distinction between joint venture and consignment
5. Need of Piecemeal Distribution

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

1. Explain the need of departmental accounting
2. Discuss in detail benefits of consignment business
3. Mr. Jyoti from Kolkata consigns to Mr. Suresh from Patna 200 machines. Original cost price of every machine is Rs. 520 but it has been valued at Rs. 640 each in the invoice. Jyoti has spent Rs. 1,600 on packing etc., Mr. Suresh has accepted a bill drawn by Mr. Jyoti, for Rs. 32,000 Mr. Suresh informed that 160 machines were sold at Rs. 700 each and that he has incurred the following expenses : Railway Freight Rs. 2,400; Rent for the godown Rs. 200 and Insurance Rs. 400. Consignee is authorised to get ordinary commission at 5% and 10% Delcredere commission. Prepare a Consignment Account in the books of Mr. Jyoti.
4. Kavi, Rita & Soni were in partnership sharing profit and losses in the ratio of 2:1:1. Following was their Balance Sheet on date of Dissolution on 31st Dec 2023.

Liabilities	Amt. Rs.	Assets	Amt. Rs.
Capitals		Fixed assets	1,44,000
Kavi	1,90,000	Machine	1,00,000
Rita	1,60,000	Debtors	2,40,000
Soni	1,20,000	Stock	1,60,000
Creditor	60,000	Cash	36,000
Income Tax	16,000		
Loan from Bank	1,20,000		
Rita's Loan	44,000		
	6,80,000		6,80,000

- 1) Bank could realized only Rs. 1,00,000 on disposal of stock .
- 2) A sum of Rs. 12,000 was kept for realization expenses but actual realization expenses were Rs. 8,000 . Assets realizes were as follows
First Realisation Rs. 1,80,000 , Second Realisation Rs. 2,00,000 ,
Second Realisation Rs. 2,40,000

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

From the following Trial Balance of M/s Sorabh Traders, you are required to prepare Trading, Profit & Losses Account for the year ended 31st March, 2024 and Balance Sheet as on that date:

Trial Balance as on 31st March, 2024

Particulars	Debit Amt. Rs.	Credit Amt. Rs.
10% Bank loan (taken on 1-10-2023)		1,20,000
Bad debts	1,200	
Bank Overdraft		18,400
Buildings	1,60,000	
Capital		1,00,000
Carriage	9,000	
Cash	7,000	
Debtors	66,000	
Creditors		68,000
Discount allowed	1,000	
Discount received		800
Drawings	8,000	
Insurance	2,000	
Office Rent	4,000	
Opening Stock	40,000	
Plant & Machinery	40,000	
Postage & Telegram	3,000	
Purchase	1,93,200	
Sales		3,01,600
R.D.D.		2,000
Purchase Returns	5,600	
Sales Return		9,200
Salaries	56,000	
Wages	24,000	
	6,20,000	6,20,000

Adjustments:

- 1) Stock on 31st March 2024 was valued at Rs. 74,000
- 2) Depreciate Plant & Machinery at 10% Building at 5% p.a.
- 3) Wages includes Rs.4,000 paid to worker as advance.
- 4) Salary Rs. 4,000 and Office Rent Rs. 800 were outstanding.
- 5) Create R.D.D. on debtors Rs.2,800.