

**ANNAI VIOLET ARTS AND SCIENCE COLLEGE**  
**DEPARTMENT OF BBA**

**CONTINUOUS INTERNAL ASSESSMENT – II (ODD SEM.)**  
**SUBJECT : FINANCIAL ACCOUNTING**  
**(Scheme of Valuation)**

**Class : I BBA**

**Date : 3.11.22**

**Max.Marks : 75**

**Sub.Code:BB21B**

**PART A (10 × 2 = 20 Marks)**

**Answer any TEN questions**

1. According to the American institute of satisfied public accountant accounting is the art of recording classifying and summarising in a significant manner and the term of money at transactions and events which are of financial character interpreting the result there of
2. The main objective of accounting is to keep a systematic record of financial transactions which helps the users to understand the day to day transactions in a systematic manner so as to gain knowledge about overall business.
3. Ledger is the seconds important stage in the accounting cycle or process in the stage of accounting cycle all recorded business transactions or entities of grouped on a pre-determine the basis
4. The enter work a relating to cash and bank transaction in minimised and simplified through cash book
5. Journal is a book of primary entry or original entry all transactions are initially recorded in the journal
6. Trading and profit and loss account are prepared to determine the profit earned or loss sustained by the business enterprise during the accounting period.
7. Goodwill is an intangible asset that accounts for the excess purchase price of another company.
8. To Determine If Working Capital is Enough · 2. To Know the Business Net Worth · 3. To See If The Company Can Sustain Future
9. A trial balance is a list of all the general ledger accounts (both revenue and capital) contained in the ledger of a business.
10. Accounting principles are the rules and guidelines that companies and other bodies must follow when reporting financial data.

11. The organisations whose main objectives are not to earn profit but to provide valuable services to its member and to the society are known as non-trading organisations.

12. A partnership is a form of business where two or more people share ownership, as well as the responsibility for managing the company and the income or losses the business generates.

**PART B – (5 × 5 = 25 Marks)**

**Answer any FIVE questions**

**TRIAL BALANCE**

**(AS ON 31<sup>ST</sup> JANUARY, 2006)**

**13.**

<b>Particular</b>	<b>Debit Amount</b>	<b>Credit Amount</b>
Cash Account		
Interest Account		
Bank Account		
Stock Account		
Furniture Account		
Building Account		
Capital Account		
Babu's Loan Account		
Purchases Account		
Discount Account		
Bharat		
Plant Account		
Interest on Loan Account		
Sales Account		
Bad Debts Account		
Salary Account		
Drawings Account		

14.

Date	particulars	Debit Rs	Credit Rs
a.	Purchase A/c Dr To anbu A/c	5000	5000
b.	Sales returns A/c To babu A/c	500	500
c.	Cash A/c To typewriter A/c	1000	1000
d.	Drawings A/c To cash A/c	250	250
e	Radha A/c To cash A/c	2000	1980 20

15. Trial balance is a statement that is created with the intention of recording balances from all the ledger accounts. Balance sheet is the financial statement which shows the position of the assets and liabilities of an organisation at a given time point of time

16. Preparation of Final Accounts of Sole Proprietor

Trading and Profit and Loss Account.

Balance Sheet.

Classification of Assets and Liabilities.

Adjustment Entries.

Closing Entries.

Manufacturing Account.

Limitations of Financial Statements.

17. A journal contains a permanent record of all the business transactions.

(ii) The journal provides a complete chronological (in order of time of occurrence) history of all business transactions and the task of later tracing of some transactions is facilitated.

18. Suspense accounts are used when your trial balance is out of balance or when you have an unidentified transaction. The suspense account is a general ledger account that acts as a holding account until the error is discovered or the unknown transaction is identified.

19. Data entry errors, errors of commission, errors of omission and errors in principle

**PART C – (3 × 10 = 30 Marks)**  
**Answer ANY THREE questions**

20.

**Cash Book of Shri. Subramanian (Single Column)**

Date	Particulars	R. N.	L. F.	Amount	Date	Particulars	V. N.	L. F.	Amount
1.4.9 9	To Capital			24,00 0	1.4.9 9	By Purchases			6,000
10.4. 99	To Sales			11,20 0	13.4. 99	By Bank			2,500
23.4. 99	To Ganesan			9,000	20.4. 99	By Furniture			9,600
26.4. 99	To Commission			740	21.4. 99	By Stationery			160
30.4. 99	To Bank			3,800	25.4. 99	By Mohan			13,60 0
					27.4. 99	By Telephone Charges			300
					30.4. 99	By Balance C/d			16,58 0
				48,74 0					48,74 0

1.5.9 9	To Balance c/d		16,580					
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21.

Date	Particulars	Rs.	Date	Particulars	Rs.
1.4.200 0	To Sales	6,000	5.4.20 00	By cash	5,800
18.4.20 00	To Sales	8,000		By Discount allowed	200
			30.4.20 00	By Cash	4,500
			30.4.20 00	By Balance C/d	3,500
		<b>14,000</b>			<b>14,000</b>
1.5.200 0	To Balance b/d	3,500	22.5.2 000	By Cash	4,850
12.5.20 00	To Sales	12,000		By Discount allowed	150
			31.5.20 000	By Cash	10,250
				By Discount allowed (Bal.fig)	250
		<b>15,500</b>			<b>15,500</b>

22.

S.No.	Name of Account	L.F.	Debit	Credit
1	Drawings		6,000	-
2	Capital		-	24,000
3	Sundry creditors		-	43,000
4	Bills payable		-	4,000
5	Sundry debtors		50,000	-

6	Bills receivable		5,200	-
7	Loan from karthik		-	10,000
8	Furniture & Fittings		4,500	-
9	Opening stock		47,000	-
10	Cash in hand		900	-
11	Cash at bank		12,500	-
12	Tax		3,500	-
13	Sales		-	1,28,000
14	Salaries		9,500	-
15	Sales returns		1,000	-
16	Purchase returns		-	1,100
17	Travelling expenses		4,600	-
18	Commission paid		100	-
19	Trading expenses		2,500	-
20	Discount earned		-	4,000
21	Rent		2,000	-
22	Bank overdraft		-	6,000
23	Purchases		70,800	-
			<b>2,20,100</b>	<b>2,20,100</b>

23.

#### income and Expenditure Account

Dr.

Cr.

Expenditure	Amount Rs	Income	Amount Rs
Salaries	28,000	Fees Collected	38,000

Add: outstanding salary		Fees	10000	
Less: Previous year's Outstanding	(3,000)	Less: Previous year's Outstanding	3,90,000	
			(80,000)	
		Outstanding		
	26,000			3,10,0000
Entertainment Expenses	3000	Donations		20,000
Tournament Expenses	12000			
Meeting Expenses	18,000			
Traveling Expenses	6,000			
Purchases of Periodicals (40,000 – 31,000)	10,000			
Postage, Telegrams and Telephone's	10,000			
Rent	15.000			
Printing and Stationery	4000			
Surplus (Excess of Income over Expenditure)	2,26,000			
	3,30,000			3,30,000

	Drawings and interest on Drawings				Opening Balance or Initial Investment	
	Loss transferred from Profit and Loss A/c				Addition of capital, Interest on Capital, Salary, Commission or any other remuneration	
	Closing Balance				Profit transferred from Profit and Loss Appropriation A/c	

#### Format of Fixed Capital Account

#### Capital Account

Date	Particulars	A	B	Date	Particulars	A	B
	Permanent withdrawal of capital				Opening Balance		
	Closing Balance				Addition of Capital		

#### 24. Methods of Capital Account Creation

- Fluctuating Capital Account Method
- Fixed Capital Account Method

#### Format of Fluctuating Capital Account Method

#### Capital A/c

Date	Particulars	A	B	Date	Particulars	A	B

