

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

BBA / BBA(SIM) (Sem.-1)
BASIC ACCOUNTING

Subject Code : BBA102-18

M.Code : 75083

Date of Examination : 16-06-2025

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any ONE question from each Sub-section.

SECTION - A

1. Write briefly :

- a) How does the Money Measurement Concept limit the scope of financial accounting?
- b) List any four qualitative characteristics of accounting information and explain any one in detail.
- c) Briefly explain the concept of book keeping.
- d) State the accounting equation and explain how it remains balanced after each transaction.
- e) Differentiate between personal and real accounts with one example of each.
- f) What is depreciation in accounting?
- g) Explain the purpose of a Trading Account.
- h) What is the purpose of the Profit and Loss Account in the final accounts of a company?
- i) What does the term "Dividend" mean in a company's financial statements?
- j) What is the role of the 'Auditors Report' in the annual report of a company?

1 | M-75083

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SECTION - B

UNIT - I

2. Explain the scope, objectives and advantages of financial accounting. How do they contribute to effective financial reporting?
3. What are accounting standards? Discuss the need, objectives and features of Accounting Standards in India and explain how they ensure consistency in financial reporting.

UNIT - II

4. Prepare journal and ledger considering following transaction for the month of March 2025 :
 1. Started the business with Rs.1,50,000 in cash and Rs.50,000 worth of inventory.
 2. Purchased machinery for Rs.80,000 in cash and Rs.20,000 on credit from Mr. Gupta.
 3. Purchased goods worth Rs.40,000 on credit from Mr. Sharma.
 4. Sold goods on credit to Mr. Khan for Rs.60,000 (cost Rs.36,000).
 5. Paid rent for 3 months in advance, Rs.24,000 (Rs.8,000 per month).
 6. Paid salaries of Rs.18,000, of which Rs.5,000 is outstanding at the end of the month.
 7. Accrued interest of Rs.1,500 on a loan of Rs.50,000 for 3 months (interest rate 12% p.a.).
 8. Purchased stationery worth Rs.5,000, paid through bank transfer.
 9. Depreciation on machinery is calculated at 10% per annum on the cost of machinery.
 10. Received a cash payment of Rs.50,000 from Mr. Khan for goods sold on credit.
5. Explain the concept of a Trial Balance. Discuss its objectives, preparation process and the limitations of a Trial Balance in financial accounting.

UNIT - III

6. Discuss the important provisions of the Companies Act, 1956 with regard to the preparation of final accounts of a company. Focus on key requirements and their implications on the preparation of financial statements.
7. Discuss the role and advantages of computerized accounting systems and accounting software packages in modern business operations. How do these systems contribute to efficiency and accuracy in financial management?

2 | M-75083

UNIT - IV

8. Explain the concept of a Bank Reconciliation Statement. Discuss its purpose, the common causes of discrepancies between the cash book and the bank passbook, and the steps involved in preparing a Bank Reconciliation Statement.
9. The following trial balance was extracted from the books of a sole proprietorship, ABC Enterprises, as on 31st March 2025 :

Account	Debit (Rs.)	Credit (Rs.)
Capital		1,50,000
Drawings	30,000	
Purchases	80,000	
Sales		1,20,000
Rent Expense	12,000	
Salaries Expense	15,000	
Cash in Hand	10,000	
Debtors	25,000	
Creditors		20,000
Stock (Opening)	20,000	
Bank (Cash Book)	8,000	
Discount Allowed	2,000	
Discount Received		1,000
Bad Debts	1,000	
Insurance Expense	4,000	
Depreciation on Machinery	5,000	

Prepare the following final accounts for the business for the year ending 31st March 2025 :

- Trading Account
- Profit and Loss Account
- Balance Sheet

NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC against the Student.