

**BBA 2nd Semester Exam., 2023**

**FINANCIAL MANAGEMENT—I**

**( Financial Accounting )**

Time : 3 hours

Full Marks : 60

**Instructions :**

- (i) The marks are indicated in the right-hand margin.
- (ii) There are **SEVEN** questions in this paper.
- (iii) Attempt **FIVE** questions in all.
- (iv) Question Nos. 1 and 2 are compulsory.

1. Answer any six of the following questions :

2×6=12

- (a) Define Book-keeping.
- (b) What is convention of consistency?
- (c) What is financial statement?
- (d) What do you mean by installment?
- (e) What is minimum rent?
- (f) What do you understand by double-entry system?

- (g) What is depreciation?
- (h) What is statement of retained earnings?
- (i) What is debt-equity ratio?
- (j) What is fictitious asset?

2. Answer any three of the following questions :

4×3=12

- (a) What are the important functions of Accounting?
- (b) Discuss the different types of branches.
- (c) Explain the three important types of accounts.
- (d) Explain the different types of Journals.
- (e) What are the objectives of Trial Balance?

3. ABC Ltd. purchased a machine for ₹ 14,400 on 1st January, 2013. It is estimated that the scrap value is ₹ 3,400 at the end of ten years. Find out depreciation and written-down value by equal installments of every year. And also, you are required to calculate the rate of depreciation for the above said years.

12

4. Explain briefly the nature and scope of financial statements. 12
5. Ratio analysis is widely used as a tool of financial analysis, yet it suffers from various limitations. Explain. 12
6. Cost Accounting has become an essential tool of management. Give your comments on this statement. 12
7. From the following transactions of Mr. Verma & Co., you are required to prepare Profit & Loss A/c and Balance Sheet for the year ended 31st December, 2022 : 12

	₹		₹
Sales	3,55,000	Sundry Debtors	30,000
Sales Return	5,000	Rent Received	3,000
Purchases	2,52,000	Discount Received	3,000
Return Outwards	2,000	Discount Allowed	2,000
Carriage Outwards	1,000	Commission Allowed	1,000
Carriage Inwards	5,000	Taxes and Insurance	3,000
Opening Stock	40,000	Provision for Doubtful	
Direct Expenses	5,000	Debts	2,000
Capital	60,000	Bad Debts	1,500
Furniture	5,000	Salaries	20,000
Bank Overdraft	10,000	Dividend Paid	5,000
Buildings	45,000	General Expenses	5,000
Plant & Machinery	40,000	Rent Paid	3,000
Sundry Creditors	25,000	Bills Receivable	21,500
Bills Payable	30,000		