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Total Number of Pages : 02 **IMBA**
16IMN104

1st Semester Regular Examination 2019-20
BASIC FINANCIAL ACCOUNTING-I
BRANCH : IMBA
Max Marks : 100
Time : 3 Hours
Q.CODE : HR780

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.
The figures in the right hand margin indicate marks.

Part-I

Q1 **Only Short Answer Type Questions (Answer All-10)** **(2 x 10)**

a) Define Accounting .
b) What is the purpose of subsidiary books ?
c) Write the main objectives of Accounting .
d) What is GAPP?
e) How will you treat closing stock in final accounts if it appears in a Trial balance .
f) Explain what is Accounting cycle .
g) What do you understand by Marshalling of a Balance sheet ?
h) List different items that are being adjusted with the capital in the balance sheet .
i) Why is it important to consider the adjustments while preparing final accounts ?
j) Explain what is an intangible asset ?

Part-II

Q2 **Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)** **(6 x 8)**

a) Write the items that are shown in a Trading Account .
b) Describe the Accounting cycle .
c) Journalise the following transactions .
i. Started business with Rs 5,00,000 .
ii. Bought furniture worth Rs 20,000 .
iii. Purchased goods Rs 50,000 .
iv. Withdrew goods worth Rs 1,000 for personal use .
d) Why do you need to make a proper maintenance of books of accounts ?
e) Explain the Conservatism convention .
f) Distinguish between capital expenditures and revenue expenditures.
g) What are the purposes of making Trial Balance ?
h) Explain why it is important to provide for Bad debt ?
i) How do you treat the following adjustments in final accounts ?
i. Prepaid Expenses
ii. Outstanding Expenses
j) Why does a bank credits our account when we actually deposit money into our account?
k) State the different reasons why assets depreciate.
l) Draw a cash account with imaginary figures.

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Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 State the reasons behind stakeholders' interest in the books of accounts of a business enterprise. **(16)**

Q4 Explain the different account concepts. **(16)**

Q5 Draw a Balance Sheet with imaginary figures. **(16)**

Q6 Prepare a Trading and Profit & Loss account for Mr Keshav Kanta from the data given below: **(16)**

Credit Balances:

Capital Rs 1,00,000; Sales Rs 321000; interest earned Rs 4000; Creditors Rs 1,20,000; Bad debts Rs 8000. Purchase returns Rs 5000.

Debit Balances:

Fixed Assets Rs 50,000;Purchaess Rs 1,50,000; Debtors, Rs 2,00,000; Salaries Rs 30,000; Wages Rs 20,000; Ret Rs 15,000; Sales Return Rs10,000; Printing and Stationery Rs 9000; Insurance Rs 12,000; Opening stock Rs 50,000 Office Expenses Rs 12,000.

The closing stock was valued at Rs 40,000. Allow a depreciation of 10% on Fixed Assets.