

Exam. Code : 304301

Subject Code : 4915

**PG. Diploma in Business Management (PGDBM)****1<sup>st</sup> Semester****PGDBM-103 : FINANCIAL ACCOUNTING**

Time Allowed—3 Hours]

[Maximum Marks—50

**SECTION—A**

**Note** :— Attempt **five** questions selecting at least **one** question from each section. The **fifth** question may be attempted from any section. Length of answer to each theory question should be upto 5 pages. All questions carry equal marks.

1. What do you mean by double entry system of Book Keeping ? How does book keeping differ from Accounting ?
2. Discuss various types of accounts in detail. What are the rules of recording in journal ? Discuss with examples.

**SECTION—B**

3. Enter the following transactions in a three column cash book :

**2010**

May 1 Cash in hand Rs. 4,000

Bank Overdraft Rs. 3,000

May 2 Sold goods for cash Rs. 2,500

May 3 Sold goods for cheque and paid it into bank the same day Rs. 2,400

- May 5 Sold goods for cheque Rs. 1,400  
May 6 Paid into bank cheque Rs. 1,400  
May 8 Paid Ram Lal by cheque Rs. 815  
He allowed discount Rs. 20  
May 9 Bought goods and paid for them by cheque  
Rs. 410  
May 10 Cheque sent to bank Rs. 3,100  
May 11 Received a cheque from Suresh and paid it  
into bank Rs. 490  
Discount allowed Rs. 10  
May 16 Received from Bhagwan a cheque for Rs. 1,850  
in full settlement of his account of Rs. 1,900.  
The cheque was banked on the same day.  
May 20 Paid wages in cash Rs. 300  
May 22 Purchased goods by cheque Rs. 4,600  
May 24 Bank charges Rs. 50  
May 28 Withdrew from bank for office use Rs. 2,000  
and for personal use Rs. 1,200  
May 30 Bank collected interest on securities Rs. 800  
May 31 Paid rent Rs. 140
4. What do you mean by trial balance ? Discuss various methods of preparing trial balance. Also discuss the importance of trial balance.

### SECTION—C

5. Explain the important features of Bills of Exchange and Promissory Note. Discuss their advantages.
6. On 1<sup>st</sup> April, 2008 a company purchased a machine for Rs. 10,000 and on 30<sup>th</sup> September, 2009 it acquired another machine for Rs. 5,000. On 30<sup>th</sup> September, 2010 the first machine was sold for Rs. 6,200 and new machine

installed on this date for Rs. 12,000. Depreciation is to be provided at 10% per annum on written down value method. Show the machinery account for the first three years.

### SECTION-D

7. What is Income and Expenditure Account ? Distinguish between Receipts and Payments Account and Income and Expenditure Account.
8. The following is the Trial Balance of Pardeep Anand as on 31<sup>st</sup> March, 2017.

	Amount (Rs.)	Amount (Rs.)
Cash in hand	3,170	
Purchases	40,675	
Sales		98,780
Returns	680	500
Wages	10,480	
Fuel and Power	4,730	
Carriage Inwards	2,040	
Opening Stock	5,760	
Premises	30,000	
Land	10,000	
Machinery	20,000	
Patents	7,500	
Salaries	15,000	
Sundry expenses	3,000	
Insurance	600	
Drawings	5,245	
Pradeep's capital		71,000
Debtors and Creditors	14,500	6,300
Office expenses	3,200	
	1,76,580	1,76,580

Taking into consideration the following adjustments, prepare Trading and Profit and Loss Account and Balance Sheet as on 31<sup>st</sup> March, 2017

- (1) Closing stock on 31.3.2017 : Rs. 6,800
- (2) Depreciate machinery and patents by 10% and 20% respectively.
- (3) Salaries due for month of March, 2017 were Rs. 1,500.
- (4) Prepaid insurance Rs. 300
- (5) Reserve 5% for doubtful debts.