

BBA-02

December - Examination 2025

Bachelor of Business Administration (Ist Year) Examination

FUNDAMENTALS OF ACCOUNTING

Paper : BBA-02

[Time: 3 Hours]

[Maximum Marks: 70]

Note :- The question paper is divided into three Sections A, B and C. Write answers as per the given instructions.

Section-A

7×2=14

(Very Short Answer Type Questions)

Note :- Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries **2** marks.

1. (i) Differentiate between Accrual Basis of Accounting and Cash Basis of Accounting.
- (ii) What do you understand by sectional balancing system of ledgers?
- (iii) Give any four differences between Cash Book & Receipt and Payment Account.
- (iv) What is meant by overriding commission?
- (v) What do you mean by closing entries and opening entries?
- (vi) How will you correct the error of principle? Give an example of it.
- (vii) Classify different types of accounts.

Section-B

4×7=28

(Short Answer Type Questions)

Note :- Answer **any four** questions. Each answer should not exceed **200** words. Each question carries **7** marks.

2. Explain briefly the role of Accountant in the society.
3. What are the errors which do affect the agreement of Trial Balance? Explain with example.
4. What do you mean by a Three Column Cash Book? What are its main features?

5. Differentiate between -
- Revenue reserve and capital reserve
 - Provision and specific reserve
6. What is meant by Direct Expenses and Indirect Expenses? How are indirect expenses apportioned in various departments? Give two examples.
7. Prepare a bank reconciliation statement from the following particulars -

	₹
(i) Bank overdraft as per Cash Book	80000
(ii) Cheques deposited in bank but no entry was passed in the Cash Book	3000
(iii) Cheques received but not sent to the Bank	10000
(iv) Credit side of the Bank column cast short	1000
(v) Insurance premium paid directly by Bank under standing order	5000
(vi) Bank charges entered in Cash Book twice	100
(vii) Cheques received returned by the Bank but no entry passed	4000
(viii) Cheques 'issued' returned on technical ground	3000
(ix) Bills receivable directly collected by Bank	20000
(x) Bank charges debited by Bank	120

8. What are the different methods of redemption of debentures? Explain any two of them.
9. Anima Ltd. issued 40000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as :- ₹ 3 per share on application, ₹ 5 per share (including premium) on allotment, ₹ 2 per share on first call and the balance on second call. Mrs. Padma was allotted 800 shares. Give necessary journal entries for the forfeiture of shares in the following cases -
- Mrs. Padma could not pay allotment and first call money. Her shares were forfeited after the 1st call.
 - Mrs. Padma paid application and allotment money when due but could not pay first and second calls. Her shares were forfeited.

Section-C**2×14=28****(Long Answer Type Questions)**

Note :- Answer **any two** questions. You have to delimit your each answer maximum up to **500** words. Each question carries **14** marks.

10. From the following Trial Balance, prepare an Income and Expenditure Account of the Jain club for the year ended 31 Dec. 2024 and prepare a Balance Sheet as on that date :-

Depreciate furniture by 10%, Billiard tables by 20% and China glass etc. by $33\frac{1}{3}\%$. Of the subscriptions ₹ 4000 is paid in advance and ₹ 2500 is in arrears. ₹ 3000 is outstanding salary.

Debit Balances	₹	Credit Balances	₹
Furniture	25000	Subscription	105600
Billiard tables	12500	Sundry receipts	17430
China glass etc.	3330	Sales of tickets	32340
Repairs and renewals	7340	Creditors	26000
Salaries and wages	22620	Entrance fees	4480
Rent	31940	Capital fund	40000
Fuel and light	16180		
Cost of entertainment	21900		
Sundry expenses	16000		
Cost of dinner	7600		
Sundry debtors	11700		
Cash at Bank	48000		
Cash in hand	1740		

11. What do you mean by accounting concepts and conventions? Explain them in detail.

12. Write explanatory notes on following -
- (a) Goods in transit
 - (b) Cash in transit
 - (c) Depreciation on branch fixed assets
 - (d) Inter-branch transactions
13. Discuss the different methods of redemption of redeemable preference shares. Also, give necessary journal entries under each method giving imaginary figures.
