

**BBA-02**  
June - Examination 2018  
**BBA Pt. I Examination**  
**Fundamentals of Accounting**  
**Paper - BBA-02**

**Time : 3 Hours ]**

**[ Max. Marks :- 80**

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

**Section - A**

**8 × 2 = 16**

(Very Short Answer Questions)

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

- 1) (i) “Debit what comes in and credit what goes out” this rule is related to which type of account?
- (ii) Explain “accounting period” concept.
- (iii) What do you mean by “Books of original entry.”?
- (iv) Give names of any two subsidiary books.
- (v) When suspense account is opened?
- (vi) Explain the term “Delcredare Commission.”
- (vii) Give two examples of “errors of commission.”

(viii) Give the names of two accounts, which are opened in General ledger as memorandum accounts.

**Section - B****4 × 8 = 32**

(Short Answer Questions)

**Note:** Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 8 marks.

- 2) Give the differences between Receipts and Payments Account and Income and Expenditure Account.
- 3) State the differences between “Provision and Reserves”.
- 4) Explain “Interdepartmental transfers” and “unrealised profit made in departmental accounting.”
- 5) Journalise the following transactions:
  - (i) Goods purchased in cash from Mr. Ram for ₹ 4,000.
  - (ii) Good sold for ₹ 5,000 in cash.
  - (iii) Bank charges debited ₹ 500 by bank.
  - (iv) Cash withdrawal ₹ 6,000 from Bank.
- 6) Explain ‘Three column Cash Book.’ with illustration.
- 7) State provisions of Companies Act with regard to redemption of preference shares.
- 8) Give four reasons for difference between balances of Cash Book and Pass Book.
- 9) Explain the treatment of unearned income and prepaid expenses.

**Section - C****2 × 16 = 32**

(Long Answer Questions)

**Note:** Answer **any two** questions. You have to delimit your each answer maximum upto 500 words. Each question carries 16 marks.

- 10) Explain “Stock and debtors method”.
- 11) A company issued 1000 shares of ₹ 100 each at a premium of ₹ 10 per share. ₹ 4 on application, ₹ 5 on allotment including premium and remaining with first and final call are demanded. All the share are subscribed and issued. Journalise the above transactions.
- 12) Explain with illustrations:
  - (i) debentures issued as collateral security.
  - (ii) Purchases own debentures for cancellation.
- 13) Give the limitations of financial statements.

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