

**TRIBHUVAN UNIVERSITY**  
**FACULTY OF MANAGEMENT**

Office of the Dean

March - April 2018

Full Marks: 60

Time: 3 Hrs.

**BBA / BIM / Third Semester / ACC 201: Financial Accounting**

*Candidates are required to answer all the questions in their own words as far as practicable.*

**Group "A"**

**Brief Answer Questions:**

[5 × 2 = 10]

1. What is accounting? Mention about the users of accounting information.
2. Discuss about the going concern concept.
3. Write any two differences between capital expenditure and revenue expenditure.
4. Prepare accounting equation from the following:
  - Started business with cash Rs 2,00,000 and stock Rs 1,00,000.
  - Goods sold for Rs 20,000 on cash and Rs 10,000 on credit.
  - Loan taken from Bank Rs 40,000.
5. Following are the balances taken from the trial balance of a trader as on 31st Chaitra:

	Debit (Rs)	Credit (Rs)
Debtors	55,000	-
Provision for bad debts	-	500
Bad debts	2,000	

**Additional information**

- Further bad debts Rs 5,000
- Provision for bad debts on debtor to be created @ 10%.

**Required:** Provision for bad debts account.

**Group "B"**

**Short Answer Questions:**

[4 × 5 = 20]

6. What do you understand by trial balance? Write about errors disclosed and not-disclosed by the trial balance.
7. Following information are given:
  - On 31st Chaitra, the Cash Book showed a balance of Rs 65,000.
  - Cheques issued for Rs 24,000 but presented for payment Rs 20,000 only.
  - Insurance premium Rs 1,000 paid by bank but recorded in the cash book Rs 100.
  - Cheque deposited into the bank but not collected by bank Rs 7,000.
  - Bank charge Rs 500 not recorded in cash book.
  - Interest on investment collected by bank Rs 3,000 was not entered in the cash book.

**Required:** Bank Reconciliation Statement

8. Following transactions are given:

- Chaitra 1 Sold to ABC Books:  
100 English Books @ Rs 200 each  
200 Math Books @ Rs 400 each and less 10% trade discount.
- Chaitra 10 Sold 20 Account Books @ Rs 500 each
- Chaitra 20 Sold to Pustak Bhandar :  
100 Nepali Books @ 350 each  
200 Economics Books @Rs 300 each.  
(15% trade discount)

**Required:** (a) Sales book (b) Sales account

9. The following errors were found before preparing the trial balance.

- Purchase goods from Raj Rs 20,000 was recorded in Saj account as sales.
- Wages paid for installation of machinery was debited wages account Rs 5,000.
- Cash received from Ram of Rs 2,000 was recorded Rs 200 in Ram's account.
- Rent paid Rs.10,000 was not recorded in the book of account.
- Sales book was over casted by Rs 1,000

**Required:** Rectification of errors.

### Group "C"

[39]

#### Comprehensive Answer Questions:

10. The following information of a company is given.

- July 1: Commenced business with Rs. 4,00,000 cash received on issuing share of Rs 100 each.
- July 2: Rs 2,50,000 cash deposited into Nabil bank.
- July 5: Goods purchased for cash Rs 40,000 and on credit Rs 25,000.
- July 7: Billed customers for services provided Rs 10,000.
- July 11: Paid rent Rs 10,000.
- July 14: Goods sold for Rs 25,000 on cash and Rs 10,000 on credit.
- July 15: Cash received from debtors Rs 5,000.
- July 19: Cash withdrawn from bank Rs 25,000.
- July 20: Paid salary Rs 30,000 by cheque.
- July 22: Cash paid to creditors Rs 9,500 after deducting 5% discount.
- July 24: Paid wage Rs10,000 and wages due Rs 1,000.
- July 25: Bought plant for Rs 50,000 and paid by cheque.
- July 28: Declared and paid a dividend Rs 5,000.

*Additional information:*

- Deprecation on plant Rs 1,000.
- Pre-paid rent Rs 500.

**Required:** Journal, Ledger, Cash Book, Work Sheet and Cash Flow Statement.

[15+7+14+8+6]