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BBA
(SEM I) THEORY EXAMINATION 2024-25
FINANCIAL ACCOUNTING

TIME: 3 HRS**M.MARKS: 70**

Note: Attempt all Sections. In case of any missing data; choose suitably.

SECTION A**1. Attempt all questions in brief.****2 x 07 = 14**

Q no.	Question	CO	Level
a.	Explain financial accounting.	1	K2
b.	Explain trial balance.	2	K1
c.	What is double entry system.	2	K2
d.	Define depreciation.	3	K2
e.	Explain LIFO.	3	K1
f.	List the components of final accounts.	4	K2
g.	Explain International Financial Reporting Standard(IFRS)	5	K2

SECTION B**2. Attempt any three of the following:****7 x 3 = 21**

Q no.	Question	CO	Level
a.	Explain the purpose and scope of accounting in a business context. How does accounting contribute to the overall management and decision-making processes within an organization?	1	K5
b.	Evaluate the concept of the double-entry system in accounting. What are its key principles and how does it ensure the accuracy of financial records?	2	K5
c.	Critically assess the factors that influence the choice of inventory valuation method for a business. How do these factors impact financial reporting and decision-making?	3	K5
d.	Analyze the purpose and components of a trading account. How does it help in determining the gross profit or loss of a business?	4	K4
e.	Elaborate the key provisions of Ind AS 16 – Property, Plant, and Equipment. How do these provisions impact the recognition, measurement, and disclosure of fixed assets in financial statements?	5	K6

SECTION C**3. Attempt any one part of the following:****07 x 1 = 07**

Q no.	Question	CO	Level
a.	Critically assess the importance and limitations of accounting information for various stakeholders, such as investors, creditors, and management. How do these limitations affect decision-making?	1	K5
b.	Compare and contrast the different types of expenditures in accounting: capital expenditure, revenue expenditure, and deferred revenue expenditure. How do these classifications impact financial statements?	1	K5



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4. Attempt any one part of the following:**07 x 1 = 07**

Q no.	Question	CO	Level																														
a.	For the following transactions, develop journal entries for the month of January, 2018. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>1</td><td>Commenced business with cash</td><td>₹70,000</td></tr> <tr><td>2</td><td>Purchased goods from X and Co. on credit</td><td>₹30,000</td></tr> <tr><td>3</td><td>Cash deposited into bank</td><td>₹40,000</td></tr> <tr><td>4</td><td>Bought a building from L and Co. on credit</td><td>₹95,000</td></tr> <tr><td>5</td><td>Cash withdrawn from bank for office use</td><td>₹5,000</td></tr> <tr><td>6</td><td>Cash withdrawn from bank for personal use of Ananthu</td><td>₹4,000</td></tr> <tr><td>7</td><td>Towels given as charities</td><td>₹3,000</td></tr> <tr><td>8</td><td>Shirts taken over by Ananth for personal use</td><td>₹12,000</td></tr> <tr><td>9</td><td>Sarees distributed as free samples</td><td>₹ 3,000</td></tr> <tr><td>10</td><td>Goods (table clothes) used for office use</td><td>₹ 200</td></tr> </table>	1	Commenced business with cash	₹70,000	2	Purchased goods from X and Co. on credit	₹30,000	3	Cash deposited into bank	₹40,000	4	Bought a building from L and Co. on credit	₹95,000	5	Cash withdrawn from bank for office use	₹5,000	6	Cash withdrawn from bank for personal use of Ananthu	₹4,000	7	Towels given as charities	₹3,000	8	Shirts taken over by Ananth for personal use	₹12,000	9	Sarees distributed as free samples	₹ 3,000	10	Goods (table clothes) used for office use	₹ 200	2	K3
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b.	Critically assess the benefits of maintaining a ledger in accounting. How does it aid in the organization and retrieval of financial information?	2	K5																														

5. Attempt any one part of the following:**07 x 1 = 07**

Q no.	Question	CO	Level
a.	Explain the concept of depreciation in accounting. Why is it significant for businesses to account for depreciation?	3	K5
b.	Examine the process to calculate depreciation using the straight-line method. Discuss the advantages and disadvantages of this method.	3	K4

6. Attempt any one part of the following:**07 x 1 = 07**

Q no.	Question	CO	Level
a.	Develop a step-by-step guide to preparing a trial balance. Include an example to illustrate how balances from ledger accounts are transferred to the trial balance.	4	K3
b.	Examine the process of preparing a cash flow statement for a joint stock company. How do the cash flows from different activities reflect the company's financial performance and position?	4	K4

7. Attempt any one part of the following:**07 x 1 = 07**

Q no.	Question	CO	Level
a.	Critically assess the process of issuing Indian Accounting Standards (Ind AS). What are the key steps involved in developing and implementing these standards?	5	K5
b.	Develop a detailed explanation of the need for convergence of Indian Accounting Standards (Ind AS) with IFRS. How does this convergence benefit the economy, investors, industry, and accounting professionals?	5	K3