

Dr. Babasaheb Ambedkar Open University
Term End Examination February – 2026

Course	: BBA	Date	: 26-02-2026
Subject Code	: BBACC102 / DBACC102	Time	: 11:30am to 01:45pm
Subject Name	: Financial Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1. Define accounting. Explain its advantages and disadvantages in detail. **14**

OR

Explain Personal and Impersonal accounts in detail.

Q-2. Journalise the following transaction of Kalpana for the month of June 2025. **14**

June 1: Kalpana started business with cash Rs. 35,000, Machinery Rs. 15,000 and Debtors Rs. 4,000.

3: Opened a bank account and paid Rs. 8,000 in it.

5: Goods purchased from Pankaj of Rs. 1,000 at 5% Trade Discount.

7: Purchased stationery of Rs. 1,200.

8: Sold goods to Daya of Rs. 12,000.

10: Purchased goods of Rs. 20,000 from Milan at a trade discount of 10% and cash discount 5%, paid half the amount in cash.

12: Paid Salary Rs. 12,000.

15: Received a cheque of Rs. 4,000 from daya.

18: Paid Rs. 4,500 to Milan by cheque.

21: Paid Advertisement bill of Rs. 450.

23: Goods stolen from the shop Rs. 800.

25: Paid for life Insurance premium Rs. 750.

26: Purchase furniture of Rs. 1,000 from Narayan Furniture Mart.

28: Cash sales Rs. 4,500, and cash purchase Rs. 3,000.

30: Out of Purchases of 10th June, goods of Rs. 500 are returned.

OR

Enter the following transactions in the books of Shri Vikas for May 2025:

May 1: Sold to Chanda Light House;

50 heaters @ Rs. 60 each less 20%

20 Lights @ Rs. 120 each less 25%

9: Purchased from Chahat Electric Co.;

25 ceiling fans @ Rs. 600 each

20 Table fans @ Rs. 800 each

12: Shayal & Co. purchased from us;

80 dozen bulbs @ Rs. 7,200

16: Purchased from Lakhan & Sons one computer for Rs. 59,000, for office use on credit.

20: Shri Shyam Bros. sold to us;

10 electric irons @ Rs. 180 each less 10%

24: Chanda Light House returned;

5 heaters sold on May 1

26: Sold goods to Jai Bhagwan & Co. for cash Rs. 7,654

30: Returned to Shri Shyam Bros. 2 electric irons purchased on May 20

You are required to prepare (I) Purchase Book (II) Sales Book (III) Purchase Return Book (IV) Sales Return Book.

Q-3. From the following transaction of Raj, prepare Journal, draw necessary account in ledger and complete the posting in the books. **14**

2025

April-1:Brought cash ₹ 12,500, and stocks of goods of ₹ 3,500 in the business.

5:Cash Purchase ₹ 1,700

7:Goods of ₹ 4,700 sold for cash.

8:Received a cheque of ₹ 600 in full settlement of 620 due from Hina.

10:Purchased cycle of ₹ 1,800 From Shvam cycle store and paid ₹ 800 cash towards this.

12:Paid salaries of ₹ 1,400.

15:₹ 1,050 received towards Rent.

OR

Explain the difference between fixed capital and flexible capital.

Q-4. Pass necessary Journal entries in the books of Bhagavati ben to rectify the following errors: **14**

1. Rs. 2,100 paid to Ganga, is recorded in Jamuna's A/c.
2. Goods of Rs. 1,500 sold to Jayesh is recorded in purchase book for Rs. 150.
3. Rs. 250 withdrawn from bank for office expense is left unrecorded.
4. A Goods purchased of Rs. 2,300 from Ankit is recorded in the book for Rs. 2,000.
5. Wages paid Rs. 640 is debited to wages a/c as Rs. 460 and a sale of furniture of Rs. 740 is credited to furniture account as Rs. 560.
6. Interest of Rs. 480 credited in the passbook by the bank is recorded on the payment side of the cashbook.
7. Rs. 1,000 paid for installation charges on Machinery purchased is debited to miscellaneous expenses account.
8. Goods of Rs. 1,700 purchase from Bhavesh is recorded in sales book.
9. Work furniture of Rs. 1,100 purchased, is debited to purchase account.
10. Rs. 800 received from Nilesh, is credited to Mahesh's A/c.

OR

A company purchased machinery on 1st January, 2021 for Rs. 1,20,000. On July 1, 2021, one more machine was purchased of Rs. 40,000. On 1st July, 2023 the machinery purchased on 1st January, 2021 having become obsolete was sold for Rs. 57,200 and on the same date, new machinery was purchased at a value of Rs. 80,000.

Depreciation was provided for annually at the rate of 10% on written down value and calculates on 31st December. In 2024, however, the firm changed this method of providing depreciation and adopted the method of providing 5% p.a. depreciation on the straight line method with retrospective effect. Prepared machine Account for all the years and related notes.

Q-5 (A) Write Short Notes on: (Any three)

09

1. Going Concern Concept
2. Money Measurement Concept
3. Characteristics and Objectives of Trail Balance
4. Features and Elements of Bills of Exchange
5. Reasons for difference in the bank balance in the cashbook and in the passbook

Q-5 (B) Choose the correct option:

05

1. According to going concern, a business is assumed as having:
 - (a) a limited life
 - (b) an indefinite life
 - (c) a very long life
 - (d) None of the above
2. Capital account kept in which ledger when maintain different types of ledgers?
 - (a) Creditors ledger
 - (b) Debtors ledger
 - (c) General ledger
 - (d) Personal ledger
3. What is main objective for preparing trial balance?
 - (a) Arithmetically
 - (b) Economically
 - (c) Owners
 - (d) Government
4. Rs.1,000 withdrawn from bank for personal use is left unrecorded. How to rectify this error?
 - (a) Bank a/c dr. to Personal a/c
 - (b) Personal a/c dr. to Bank a/c
 - (c) Bank a/c dr. to Capital a/c
 - (d) Drawing a/c dr. to Bank a/c
5. Which of the following statements is incorrect?
 - (a) Liabilities + Capital = Assets
 - (b) Liabilities + Assets = Capital
 - (c) Assets – Capital = Liabilities
 - (d) Assets – Liabilities = Capital
