



INDIAN INSTITUTE OF MANAGEMENT & COMMERCE DEGREE & P.G COLLEGE, An Autonomous College

Sponsored by VASAVI FOUNDATION & Affiliated to OSMANIA UNIVERSITY

**RE-ACCREDITED BY NAAC WITH "A+" GRADE
An ISO 21001 : 2018 Certified College**

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B.B.A. I Year, II Semester Subject: Financial Accounting Question Bank

UNIT I

Short Answer Questions

1. Users of Accounting information
2. GAAP
3. IFRS
4. Define Accounting
5. Objectives of Accounting

Essay Type Questions

1. Explain the Accounting Concepts & Conventions
2. Explain the Qualitative characteristics of financial information
3. Discuss the Role and Ethical responsibilities of accountants

UNIT II

Short Answer Questions

1. Double entry system
2. Books of original entry
3. Steps of the accounting cycle
4. Trial balance

Essay Type Questions

1. Distinguish between Journal and Ledger
2. Explain the types of errors
3. **Problems on recording transactions in journal, ledger posting and preparation of trial balance**
4. **Problems on incorrect trial balance**

UNIT III

Short Answer Questions

1. Accrual Accounting
2. Adjustment entries
3. Revenue Recognition

Essay Type Questions

1. **Problems on final accounts of a sole proprietorship**
2. Distinguish between Trading & Profit and Loss account
3. Explain the Matching concepts principles
4. Explain the Balance Sheet in detail

UNIT IV

Short Answer Questions

1. Significance of Cash & Cash Equivalents
2. Internal Control Mechanism
3. Petty Cash System
4. Types of Shares
5. Explain about the different types of share capital.

Essay Type Questions

1. Distinguish between Provisions & Reserves
2. Explain the Types of Reserves
3. Explain the Methods of recording Depreciation
4. Explain the Depreciation methods
5. **Problems on Depreciation (Straight line & Reducing balance methods)**
6. A company issued 15,000 equity shares of ₹10 each at a premium of ₹5 per share, payable ₹5 on application, ₹5 on allotment (including premium), and balance on call. Pass journal entries.
7. DEF Ltd. issued 12,000 equity shares of ₹10 each at par. Application ₹3, allotment ₹4, and balance on first and final call. All amounts were received on time. Pass journal entries.
8. PQR Ltd. issued 6,000 equity shares of ₹50 each at a premium of ₹10 per share. ₹20 on application, ₹20 on allotment (including premium), and balance on call. Pass journal entries.
9. A company issued 20,000 shares of ₹10 each at par, payable ₹4 on application, ₹3 on allotment, and ₹3 on call. Pass journal entries

UNIT V

Short Answer Questions

1. Accounting Information Systems
2. Computerized Accounting
3. Explain the reasons for differences in Cash book and Pass book
4. Regulatory reporting requirements & disclosure norms

Essay Type Questions

1. On 31/3/2024, Pass book shows a credit balance of ₹40,000. On verification, the following items were identified:

1. Direct deposit by a customer into the bank: ₹4,500
2. Insurance premium of ₹2,000 paid by bank not recorded in cash book
3. Cheque deposited ₹6,000 returned dishonoured, not recorded in cash book
4. Cheques issued for ₹7,500 not yet presented

Prepare the Bank Reconciliation Statement.

2. The Cash book shows a bank balance of ₹18,600 (debit). Differences found were:

1. Bank interest ₹400 credited in pass book only
2. A cheque issued for ₹2,800 was wrongly entered in the cash book as ₹2,080
3. Cheque deposited of ₹5,000 but only ₹4,000 credited by bank
4. ATM withdrawal of ₹1,500 recorded only in pass book

Prepare the Bank Reconciliation Statement.

3. From the following particulars of M/Ramesh enterprises, prepare a Bank reconciliation statement as on 31/3/2018.

- (1) Bank balance as per Pass Book as on 31st March 2018 was ₹88,000.
- (2) Cheques deposited in Bank for ₹58,000 but not cleared till 31st March 2018.
- (3) Cheques issued were ₹25,000 not yet presented for payment by the bank.
- (4) Dividend collected by Bank ₹12,500
- (5) Direct deposit by M/s Rajesh Traders ₹4,000 not entered in Cash Book.
- (6) Corporation tax ₹12,000 paid by Bank as per standing instruction appears in PB only.

4. Problems on Cash Flow Analysis

5. Problems on Ratio Analysis