## Exam Paper for Financial Accounting in BBA

## PAPER # 1

\*\*Instructions:\*\*

- \* Answer all questions.
- \* Show your work whenever possible.
- \* Write your answers in the space provided.

\*\*Question 1:\*\* What is the purpose of financial accounting tesale.co.uk \*\*Answer:\*\* iew from 2 of 18 preview page 2 of 18

The purpose of financial accounting is to provide information about the financial position, performance, and changes in financial position of an entity to users of financial statements.

\*\*Question 2:\*\*

What are the three main financial statements?

\*\*Answer:\*\*

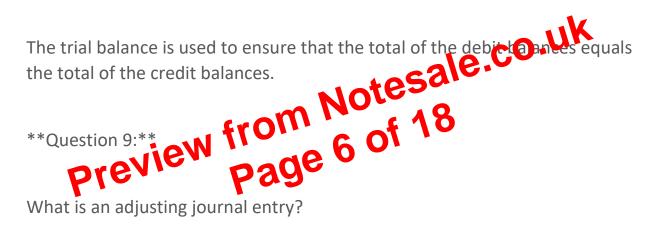
The debit side of a transaction represents an increase in an asset or a decrease in a liability or equity. The credit side of a transaction represents a decrease in an asset or an increase in a liability or equity.

\*\*Question 8:\*\*

What is the trial balance?

\*\*Answer:\*\*

The trial balance is a list of all the accounts in a ledger, with their debit and credit balances.



\*\*Answer:\*\*

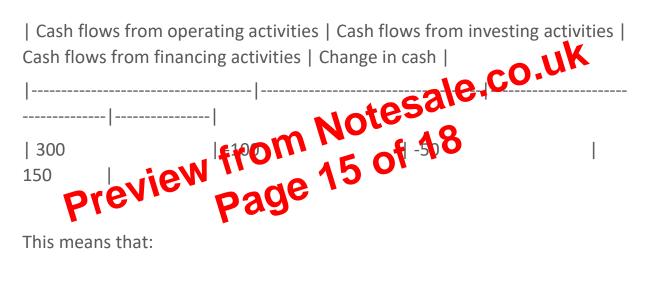
An adjusting journal entry is an entry made at the end of an accounting period to record transactions that have not yet been recorded in the general ledger.

- Cash flows from financing activities: The cash inflows and outflows from the transactions with the owners and creditors of a business such as issuing shares, repaying loans, paying dividends, etc.

The cash flow statement shows the changes in the cash balance of a business for a given period and follows the equation:

Change in cash = Cash flows from operating activities + Cash flows from investing activities + Cash flows from financing activities

For example,



 The business generated 300 units of cash from its operating activities such as receiving 1000 units from customers, paying 600 units