

Mr. Gopal, to whom 4,000 shares were allotted, failed to pay allotment and calls money and Mr. Ram, to whom 5,000 shares were allotted failed to pay the two calls. These were subsequently forfeited after the second call was made. Pass necessary Journal entries.

30. How is the account relating to provision for doubtful debt kept? What is the object of this account? What is the influence of actual bad debt on it? How is it shown in the balance Sheet?
31. Following balances were extracted on the closing date 31st March 2017 from the books of Avinash Bank Ltd. You are required to prepare the Balance Sheet and Profit and Loss Account of the Bank.

	Rs. (‘000’)		Rs. (‘000’)
Current Deposits	45,500	Cash In hand and with RBI	487
Saving bank Accounts	14,520	Cash with Banks	6,869
Fixed Deposit	37,180	Money at call	1,500
Sundry deposition accounts	454	Investments in Govt. Securities	45,200
Depositors due to other banks secured by investments	12,200	Interest accrued on Investments	875
Bills for collection being bills receivables	22,100	Investments in Shares	4,700
		cash credit and Loans	44,100
		Bills Discounted	33,100
		Furniture, Fixtures and Equipment	500
Acceptance and Endorsements for customers	11,168	Postage and Telegrams	500
Rebate on Bills discounted	15	Interest paid	1,200
Branch Adjustments (Cr.)	4,555	Law charges	100
Statutory Reserve	10,000	Payment to Employees	2,400
Dividend equalisation Fund	2,500	Directors Fees	100
Capital: 2 lakh shares of Rs.100 each		Stationery and Advertisement	400
Rs.50 paid up	10,000	Miscellaneous Expenses	300
Interest and Discount received	5,800	Land and Building	3,500
Exchange and Commission (Cr.)	1,700	Depreciation Reserve	500
General Charges Recovered	55		
P & L A/c Balance on 01.04.2016	852		

Provide for (a) Reserve for Taxation Rs.5 lakhs (b) Transfer to General Reserve Rs.15 lakhs and (c) Transfer to Dividend Equalisation Fund Rs.5 lakhs.

(2 x 15 = 30 Marks)

(4)

18U226

(Pages: 4)

Name.....

Reg. No.....

SECOND SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2019

(CUCBCSS – UG)

Commerce - Core Course

CC17U BC2 B02 - FINANCIAL ACCOUNTING

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries 1 mark.

Choose the correct answer from the following

- Dividends are usually paid on
 - Authorised capital
 - Called up capital
 - Issued capital
 - Paid up capital
- Accounting principles are based on
 - Convenience in accounting
 - Subjectivity
 - Objectivity
 - Practicability
- Rebate on bills discounted for banking company is:
 - Expense
 - Income
 - Liability
 - None of the above
- The minimum share application money is
 - Re.1 per share
 - 10% of issue price of shares
 - 5% of the face value of shares
 - 10% of the face value of shares
- Wages paid for installing a new plant is debited to
 - Wages Account
 - Trading Account
 - Plant Account
 - None of the above

Fill in the Blanks:

- The cost of furniture purchased for office is a expenditure.
- Discarding of old machinery due to a new invention is called
- Commission on reinsurance accepted is
- IFRS are the accounting standards formulated by
- Debenture holders are entitled to a fixed rate of

(10 x 1 = 10 Marks)

Part B

Answer any *eight* questions. Each question carries 2 marks.

- What you mean by single entry system?
- State any two objectives of preparing final accounts.
- Define Reserve.

(1)

Turn Over

14. What is a company?
15. Distinguish between debentures and shares.
16. "Accounting Standards are mandatory for all companies" Comment.
17. What is life assurance fund?
18. What is unexpired discount for a bank?
19. What is WDV method of depreciation?
20. What is a Claim?

(8 x 2 = 16 Marks)

Part C

Answer any *six* questions. Each question carries 4 marks.

21. Explain the terms Provision, Reserve and Reserve fund
22. Explain the provisions regarding issue of shares at premium. For what purpose share premium amount can be utilized?
23. What is a debenture? What are the different types of debentures?
24. Explain briefly challenges to be faced on the way of IFRS convergence.
25. From the following Trial balance of Mr. Sanker, prepare Trading & P/L a/c and a Balance sheet

Debit Balances	Amount	Credit Balance	Amount
Purchases	16000	Sales	30000
Discount	1300	Capital	10655
Wages	6500	Bank Overdraft	3000
Opening stock	2000	Creditors	2100
Salaries	2520		
Carriage Inward	325		
Carriage Outward	500		
Insurance	150		
Rent	500		
Sundry expenses	160		
Cash	2750		
Building	4000		
Machinery	5800		
Debtors	3250		
Total	45755	Total	45755

- Rent due Rs 30
- Insurance Prepaid Rs 20
- Depreciate Machinery by 10%
- Provision required for bad debts Rs 500
- Closing stock Rs 6000.

(2)

26. A transport company purchased five Trucks at Rs.2,00,000 each on 1st April 2015. The company observes the calendar year as its accounting year. On 1st October 2017 one of the trucks is involved in an accident and is completely destroyed. Insurance company pays Rs.90,000 in full settlement of the claim. On the same day the company purchases another used truck for Rs.1,00,000 and spends Rs.20,000 on its overhauling. Prepare Truck account (in columnar form) for the three years ending on December 2017 if the company writes off depreciation @20% per annum on original cost method.

27. The Revenue Account of a life insurance company shows the life assurance fund on 31st March 2018, at Rs. 60,20,000 before taking into account the following items".

(a) Claims covered under re-insurance	Rs.1,20,000.
(b) Bonus utilized in reduction of life insurance premium	Rs.45,000.
(c) Interest accrued on securities	Rs.82,600.
(d) Outstanding premium	Rs.60,000.
(e) Claims intimated but not admitted	Rs.3,00,000.

What is the life assurance fund after taking into account the above omission?

28. From the following information, calculate Total Purchases.

Opening balance of creditors	Rs. 8000
Cash paid to creditors during the year	Rs. 35200
Discount received from creditors	Rs. 1400
Bills payable issued to creditors	Rs. 2600
Bills payable dishonoured	Rs. 800
Closing balance of creditors	Rs. 5400
Return Outwards	Rs. 650
Cash purchases during the year as per cash book	Rs. 12800

(6 x 4 = 24 Marks)

Part D

Answer any *two* questions. Each question carries 15 marks

29. The ABC Ltd. issued for public subscription 1,00,000 equity shares of Rs.100 each at a premium of Rs.20 per share payable as under.

On application Rs.20 per share ; On allotment Rs.50 per share (including premium) ; on first call Rs.20 per share ; and on final call Rs.30 per share.

Applications were received for 1,50,000 shares. The shares were allotted *pro-rata* to the applicants for 1,20,000 shares, the remaining applications being rejected. Money overpaid on application was utilized towards sums due on allotment.

(3)

Turn Over