

23U222

(Pages: 4)

Name:

Reg. No:

SECOND SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2024

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BBA2 B02 – FINANCIAL ACCOUNTING

(BBA – Core Course)

(2019 Admission onwards)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

Part A (Short answer questions)

Answer *all* questions. Each question carries 2 marks.

1. What is accounting assumption?
2. What do you understand by Financial Statements?
3. Compare and contrast gross profit and net profit.
4. What do you mean by capital expenditure?
5. What are the features of hire purchase system?
6. What you meant by annuity table method?
7. How a cash price is calculated?
8. What is instalment purchase system?
9. Name the methods of maintaining accounts of Dependent Branch.
10. Journalise the following transactions in the head office books when branches are keeping full system of accounting.
 - (a) Depreciation on branch fixed assets when their accounts are maintained in head office books.
 - (b) Goods in transit.
11. What do you mean by private placement of shares?
12. What is pro-rata allotment?
13. XYZ Co. Ltd. forfeits 2000 shares of Rs.10 each held by Manoj on which he has paid Rs. 2 per share on application, Rs. 2 per share on allotment and Rs. 3 per share on first call, but failed to pay final call of Rs. 3 per share give journal entry to record the forfeiture of shares.
14. Write any two conditions for issue of Bonus shares.
15. What is Right share?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

Answer *all* questions. Each question carries 5 marks.

16. Explain different classes of assets.
17. What are the different types of cash books?

(1)

Turn Over

18. On 1st January 2016 the reserve for discount on creditors was Rs. 1,200. The discount earned during the year amounted to Rs. 1,040. The creditors on 31st December, 2016 were Rs. 50,000 and a new reserve of 2.5% is required.

Show the Journal, Ledger, Profit & Loss and Balance sheet entries relating to discount.

19. Arun purchased a motor car on hire purchase system on 1-4-2015. The cash price is Rs. 2,80,000. Rs. 75,000 is paid down on signing the agreement and three installments of Rs. 75,000 each are payable at end of each year beginning on 31-3-2016. Ascertain interest included in each installment if the rate of interest is 5% p.a.

20. A acquired on January 1st 2008 a machine under a hire purchase agreement which provides for five half yearly installments Rs. 6,000 each, the first installment being due on July 1st 2008. Assuming that the applicable rate of interest in 10% p.a, Calculate the cash value of the machine.

21. What is the speciality of

(a) Branch adjustment account.

(b) Branch profit and Loss account. Explain.

22. Briefly explain the accounting treatment of issue of debentures.

23. A Ltd. Took a loan of Rs. 2,00,000 from a bank and issued 3000,8% debentures of Rs.100 each, as a collateral security. A Ltd, after two months again took a loan of Rs. 5,00,000 from a bank and issued 6000, 8% debentures of Rs.100 each as a collateral security. Write journal entries in the books of the company and prepare balance sheet.

(Ceiling: 35 Marks)

Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. Sargam Ltd. invited applications for issuing 80,000 equity shares of Rs. 100 each at a premium.

On application – Rs. 20 per share

On allotment – Rs. 60 (including premium) per share

On first and final call – Rs. 40 per share

Applications for 1,20,000 shares were received. Allotment was made on pro rata basis to all the applicants. Excess money received on application was adjusted on sums due on allotment. Sheethal who had applied for 6000 shares, failed to pay the allotment money and Heera didn't pay first and final call on 800 shares allotted to her. The share of Sheethal and Heera were forfeited. 4200 of these shares were re-issued for Rs. 100 per share as fully paid up. The re-issued shares included all the forfeited shares of Heera pass necessary journal entries for the above transactions in the books of Sargam Ltd.

25. What do you mean by accounting? Illustrate the characteristics of accounting with suitable examples.

26. Distinguish between trial balance and balance sheet

27. A trader of Chennai had a branch in Mumbai. The branch get goods partly from Chennai Head Office and partly from outsiders. Branch keeps a separate set of books. Following balances are extracted.

Particulars	Chennai H O		Mumbai Branch	
	Dr.	Cr.	Dr.	Cr.
Capital		2,00,000		
Plant and Machinery	1,40,000			
Furniture and Fixtures	25,000		12,500	
Loose tools	20,000		9,000	
Profit and Loss Account (1-1-2013)		17,500		
Debtors and Creditors	1,15,000	27,500	5,000	12,500
Cash in hand	2500		1,400	
Cash at bank	7500		300	
Purchase and sale	3,00,000	4,05,000	56,000	1, 22, 500
Salaries and wages	15,000		8,000	
Rent	7,500		4,250	
General expense	2,500		3,750	
Goods from H O to branch		45,000	40,000	
Current A/C	35,000			27,900
Opening stock (1-1-2013)	25,000		20,000	
	6,95,000	6,95,000	1,62,900	1,62,900

The difference between the balance of H O Current a/c and Branch a/c is due to goods and cheque in transit as at the date of preparation trial balance. Rent of branch remains unpaid Rs. 75. Plant, furniture and loose tools are to be depreciated by 10%, 15% and 20% p.a. respectively. Stock in trade is valued on 31-12-2013. H O: 32,500 Branch: 17500. Prepare consolidate statement of Profit and Loss a/c and Balance sheet.

(2 × 10 = 20 Marks)
