

26. M Co. Ltd. invited applications for 2,00,000 debentures of Rs.10 each payable as under;

On application Rs. 2 per share

On allotment Rs. 3 per share

On first call Rs. 2 per share

On second call Rs. 3 per share

Applications were received for 400000 debentures. The directors decided to make a pro-rata allotment of 50 percent of the debentures applied for by every applicant; to apply the balance of application money towards amount due on allotment and to refund the amount remaining thereafter. Pass necessary journal entries in the book of the company.

27. Define financial statements. Explain its features.

(2 × 10 = 20 Marks)

(4)

23U219

(Pages: 4)

Name:

Reg. No:

SECOND SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2024

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BCM2 B02 / CC20U BCM2 B02 – FINANCIAL ACCOUNTING

(Commerce: Finance / Taxation – 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 memorandum trading account?
2. What will be the capital of the proprietor at the beginning of the year?

| | | |
|------------------------------------|---|-----------|
| Profit made during the year | - | Rs. 2,400 |
| Capital at the end of the year | - | Rs. 8,000 |
| Capital introduced during the year | - | Rs. 2,000 |
| Drawings during the year | - | Rs. 1,200 |
3. What is right issue?
4. What is meant by issued capital?
5. What are convertible preference shares?
6. What is calls in arrear?
7. What is lien on shares?
8. Name different kinds of debentures.
9. Write a note on ASB.
10. What is IFRS?
11. Define Asset.
12. Define the measurement of financial statements.
13. State the meaning of IFRS.
14. What are current liabilities?
15. A company declared a dividend of 12% on its paid up share capital of Rs. 5,00,000 for the year ending 31st March, 2019. Compute the amount of dividend distribution tax payable.

(Ceiling: 25 Marks)

(1)

Turn Over

Part B (Paragraph questions)Answer *all* questions. Each question carries 5 marks.

16. Explain the features of single entry system.
17. Distinguish between capital reserve and reserve capital.
18. Sharon forfeited 150 equity shares of Rs 10 each, issued at a premium of Rs 5 per share, held by Mohit for non payment of the final call of Rs 3 per share. Out of these 100 shares were reissued to Mr. Adarsh at a discount of Rs 4 per share. Show journal entries.
19. Jyothi Ltd. forfeited 100 equity shares of Rs. 10 each issued at 20 % percentage premium on which first call money of Rs. 3 was not received, the final call money of Rs. 2 is not yet called. Give journal entries regarding forfeiture and reissue of shares.
20. Megha Co. Ltd. Issued on 1st January 2018, 20,000, 12% debentures of Rs. 100 each at Rs. 90 payable as follows: Rs. 30 on application; Rs. 40 on allotment (on 31st January); Rs. 20 on first & final call (on 31st March). All the debentures were subscribed and paid in full. Interest is payable half yearly, (30th June and 31st December every year). For the first half year, the interest was paid @ 4% on an average. Rate of income tax is 20%. Pass journal entries in the books of the company to record the above transactions for the year 2018.
21. 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.
22. State the difference between IASC and IASB?
23. Prepare a Statement of Profit or Loss of Strong Ltd. as on 31st March, 2019:

| | Rs. |
|------------------------------------|----------|
| Sale of goods | 3,86,000 |
| Excise duty on goods sold | 12,000 |
| Stock of finished goods on 1.04.18 | 80,000 |
| Purchase of raw material | 1,93,600 |
| Purchase of stock in trade | 20,400 |
| Salary to staff | 60,600 |
| Interest on borrowings | 12,000 |
| Dividend received from a company | 10,000 |
| Staff welfare expenses | 6,000 |
| Wages | 16,000 |
| Depreciation on fixed assets | 25,000 |
| Current tax | 16,800 |

(Ceiling: 35 Marks)**23U219****Part C** (Essay questions)Answer any *two* questions. Each question carries 10 marks.

24. Mr. Amit, a small manufacturer, gives you the following information:

| | Rs. | | Rs. |
|---------------------------|--------|-------------------------------|--------|
| Discount received | 2,600 | Cash paid to creditors | 7,100 |
| Expenses paid in cash | 3,100 | Cheques received from debtors | 41,000 |
| Cash withdrawals | 1,600 | Cash purchases | 2,200 |
| Bad debts written off | 600 | Total sales | 70,300 |
| Withdrawal from bank | 5,100 | Drawings by cheques | 4,400 |
| Expenses through cheques | 3,600 | Cheques issued to creditors | 52,900 |
| Cash deposited into bank | 16,100 | Cash collections from debtors | 21,200 |
| Discount allowed | 800 | Rent paid by cheque | 4,000 |
| Interest received in cash | 300 | Cash in hand (31.12.2019) | 3,400 |

| | As on 31.12.2018 | As on 31.12.2019 |
|---------------------|------------------|------------------|
| | Rs. | Rs. |
| Machinery | 5,800 | 4,800 |
| Debtors | - | 16,000 |
| Cash and bank | 18,400 | 5,900 |
| Stock | 9,100 | 10,300 |
| Furniture | 3,300 | 3,300 |
| Creditors | 6,200 | 9,700 |
| Outstanding expense | 600 | 900 |

You are required to prepare Trading and Profit and Loss Account for the year ending 31st December, 2019 and a Balance Sheet as on that date.

25. A company issued 10,000 of Rs.10 each payable as Rs.2 on application, Rs. 3 on allotment Rs. 3 on first call and Rs. 2 on second and final call. Applications were received for 15,000 shares the shares were allotted on a pro rata basis to the applicants of 12,000 shares. All shareholders paid the allotment money except one share holder who was allotted 200 shares. These shares were forfeited, the first call was made there after the forfeited shares were re-issued at the rate of Rs. 9 per share at Rs. 8 paid up after first call. The second and final call not yet made pass necessary journal entries.

(3)

Turn Over