

15U240

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Name.....

Reg. No.....

SECOND SEMESTER B.B.A. DEGREE EXAMINATION, JUNE 2016
(CUCBCSS – UG)

(Core Course: Commerce)

CC15U BB2 B02 – Financial Accounting

(2015 Admission)

Time: Three Hours

Maximum: 80 Marks

PART A

Answer ALL questions. Each question carries 1 Mark

Choose the correct answer

1. Which of the following is a direct expense?
(a) Rent (b) Salaries (c) Interest (d) Wage
2. In case of hire purchase, asset account is debited with ----
(a)H.P price (b)Cash price (c)Cost price (d)None of these
3. The difference between cash sent by branch to H.O and cash received by H.O is called-----
(a) Cash remitted (b) Cash profit (c) Cash in transit (d) None of these
4. The process of transferring entries from journal to appropriate accounts is called
(a) Journalising (b) Posting (c) Balancing (d) None of these
5. Hotels located primarily on highways for the benefit of travelles is called
(a)Resorts (b)Motels (c)Rotels (d)Chain hotels

Fill in the blanks

6. The receipts and payment account is a ----- account.
7. Depreciation is apportioned on the basis of -----
8. Return inwards are deducted from -----.
9. AS-6 deals with-----.
10. Under ----- system, the hire vendor has a right to take back the goods.

(10x1= 10 Marks)

Purchases	255000	412000
Sales	426000	816000

PART B

Answer any 8 questions. Each question carries 2 Mark

11. Define Ledger.
12. What is subscription?
13. Define down payment.
14. State the meaning of interdepartmental transfers?
15. What is stock reserve?
16. State the difference between hotel and restaurant.
17. What is accrued income?
18. What is deferred revenue expenditure?
19. Define accounting standards.
20. Define credit note.

(8x2=16 Marks)

PART C

Answer any Six questions. Each question carries 4 Marks

21. The check out time of a hotel is 11 am. In that hotel a guest checks in at 2 p.m on 23rd Nov 2009 hiring a room on European plan @Rs.2500 per day plus service charges @10%. you are required to calculate the amount payable by him in each one of the following cases.
 - (a) The guest checks out at 9 a.m on 24 Nov 2009
 - (b) The guest checks out at 11 a.m on 24 Nov 2009
 - (c) The guest checks out at 2 p.m on 24 Nov 2009
 - (d) The guest checks out at 10 a.m. on 25 Nov 2009
22. Define accounting. Explain the advantages and disadvantages of accounting.
23. State whether the following are revenue and capital items
 - a) Legal charges paid while purchasing the land
 - b) Tube and tyre purchased for an old car
 - c) Depreciation on building
 - d) Amount paid to obtain a licence to run a factory
 - e) Carriage paid on goods purchased
 - f) Amount spent to reduce working expenses

24. Enter the following transactions in the purchase returns book

April 4- Returned to Aravind Traders:

25 meters of cotton @140 per metre

15 meters of linen @200 per metre

Less Trade discount 10%

April 18- Returned to Varun Agencies:

30 towels @40 each

10 blankets @1200 each

April 25- Returned to Kavitha Enterprises:

10 shirt pieces @850 per piece

Less trade discount 6%

April 27-Returned to Amal Traders:

15 readymade shirts @900 each

10 metres of velvet @240 per metre

Less trade discount 10%

April 30-Allowances claimed from Mahima Traders:

For shortage of goods Rs.2400

25. From the following information find out the amount of subscription to be credited to I & E for the year ended 31-12-2015.

Subscription received as per R&P A/C during the year 2015	Rs.20000
Subscription received in advance for 2016	1700
Subscription outstanding as on 31-12-2014	1200
Subscription received in advance for 2015, during 2014	900
Subscription outstanding on 31-12-2015	800

26. Explain the different accounting concepts.

27. Define hire purchase. Distinguish between hire purchase and Instalment system.

28. Omar Ltd. Has two depts.- A and B. The following details for the year ended 31-03-2011 are given.

	Dept.A	Dept.B
Stock as on 01-04-2010	82000	103000
Purchases	255000	412000
Sales	426000	810000

Manufacturing expenses	-----	30000
Wages	30000	10000
Stock as on 31-03-2011	30000	40000

Goods costing Rs.40000 is transferred from Dept. B to Dept. A. Wages of Dept. A include for Dept. B. General expenses Rs.30000 to be apportioned in the ratio of 3:1. Prepare Departmental trading and P&L Account.

(6x4=24 Marks)

PART D

Answer any Two questions. Each question carries 15 Marks

29. On 31.12.2009 following trial balance was prepared from the books of Raju

	Dr	Cr
Sundry debtors	50,600	-
Sundry creditors	-	10,000
Bills receivable	5,000	-
Plant and machinery	75,000	-
Purchases (adjusted)	90,000	-
Capital	-	70,000
Free hold premises	50,000	-
Salaries	11,000	-
Wages	14,400	-
Postage and stationery	750	-
Carriage in	750	-
Carriage out	1,000	-
Baddebts	950	-
Baddebts provision	-	350
General charges	1,500	-
Cash at bank	5,300	-
Cash in hand	800	-
Bills payable	-	5,000
Reserve	-	20,000
Sales	-	2,31,700
Closing stock	30,000	-
	-----	-----
	3,37,050	3,37,050
	=====	=====

a) Raju gets a salary of Rs 9,000 p.a

- b) Allow 5% interest on capital .
- c) Bad debt provision to be adjusted to 2.5 %on sundry debtors
- d) 2.5%of net profit to be credited to reserve.
- e) It was discovered in January 2009 that stock sheets as on 31.12.2008 were overcast by Rs 1000

You are required to prepared Trading and profit and loss for the year ended 31st Dec 2009 and a balance sheet as at that date

30. P Ltd purchased 5machines on hire purchase system as on 1 January 2013 from R Ltd.The cash price of each machine is Rs.50000.Rs.50000 is paid down and the balance is payable in four annual instalments of Rs.50000 each together with interest @10%p.a.The first instalment is payable in 31-12-2013. P Ltd write off depreciation @15%p.a on diminishing balance.

P Ltd paid the first two instalments on the due dates, but failed to pay the next due on 31-12 -2015.Hence R Ltd repossessed three machines.However, they left two machines with PLtd .adjusting the rates of other 3 machines against the amount due. The repossessed machines were valued after charging 20% depreciation on straight line basis.

Give necessary ledger accounts in the books of both parties.

31. Following is the trial balance of a branch as on 31-04-2012

Sales		2,85,000
Purchases	90000	
Goods from H.O	130600	
Goods returned to H.O		1600
Stock (1-04-2011)	15700	
Furniture	80000	
Cash	23800	
Wages	12500	
Salaries	10000	
Rent	6000	
Interest received		3000
Debtors	50000	

Creditors	14000
Head Office A/C	115000
418600	418600

Additional information

- (1) Closing stock at branch is valued at Rs.25800
- (2) Salaries outstanding Rs.5000
- (3) Branch A/C in H.O Books showed a debit balance of Rs.145000
- (4) Goods sent by H.O to branch for Rs.20000 is in transit.
- (5) Cash remitted Rs.10000 by Branch to H.O on 30th March 2012 has not reached the H.O till 31st March 2012.

Give Journal entries for incorporating branch trial balance in H.O books. And also prepare Branch A/C In H.O. Books after incorporation.

(2x15=30)

Free hold premises	10000	
Salaries	5000	
Wages	14000	
Postage and stationery	750	
Carnage in	750	
Carnage out	1000	
Baddebts	500	
Baddebts provision	9000	
General charges	13000	
Cash at bank	1800	
Cash in hand	12700	
Bills payable	8000	
Reserve	2800	
Sales	12500	
Closing stock	25800	
	10000	
	6000	
	3000	
	30000	

a) Raju gets a salary of Rs 9,000 p.a