25U221S (Pages: 3) Name: ....

Reg.No: ....

SECOND SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2026

(CBCSS - UG)

CC19UBCM2B02 / CC20UBCM2B02 - FINANCIAL ACCOUNTING

(Commerce: Finance / Taxation - Complementary Course)

(2019 to 2023 Admissions - Supplementary)

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 is a share?
3. What is meant by ESOP?
4. What are convertible preference shares?
5. What is share allotment?
6. What is calls in arrear?
7. What is oversubscription?
8. Define Debenture.
9. A company issued 20,000, 12% debentures of Rs.100 each on 1st January2018. The interest is paid half yearly, on 30th June and 31st December, every year. The rate of income tax is 20%. Pass necessary journal entries for one year.
10. What is Ind AS?
11. Define Asset.
12. List out the contents of financial statements.
13. What are current liabilities?
14. 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.
15. What are non- current liabilities? Give examples.

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

16. Explain the features of single entry system.

17. Ganesh, a retailer has not kept proper books of accounts. However some ledger balances are available:

	Last year Rs.	This year Rs.
Creditors	6,270	5,890
Stock	15,000	16,000
Loan from Naresh	10,000	10,000
Cash in hand	570	670
Furniture & fittings	7,250	7,800
Debtors	5,280	4,560
Bank	4,000	4,200

Calculate profit for this year and draft a revised Statement of Affairs at the end of the year after considering the following adjustments:

a) Furniture & fittings are depreciated by Rs. 780.

b) Proprietor withdrew Rs. 100 per week for his personal purpose.

c) Included in trade debtors a bad debt of Rs. 270.

d) Interest at 5% p a is due on the loan from Naresh but has not paid.

18. What is annulment of shares? What are the steps involved in annulment of shares?

19. Give journal entry for the issue of debenture for consideration other than cash.

20. Differentiate between equity share and debentures.

21. The swarna co. Ltd. Issued Rs. 10,00,000, 7% debentures of Rs. 100 each at Rs. 105 payable Rs. 20 on application, Rs. 25 on allotment, Rs. 25 on first call and Rs. 35 on final call. Applications were received for Rs. 15,00,000 debentures. Of these Rs. 1,00,000 were refused and the application money refunded and the remaining applications received allotment pro-rata. The cash over paid on application being adjusted against the amount due on allotment. The call money was also received in full. Show the journal entries.

22. What are the main functions of IASB?

23. What are the criteria of recognition of liabilities?

(Ceiling: 35 Marks)

Part C (Essay questions)

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

24. A trader keeps his books under single entry. During the year 2019, he kept a cash book of which the following is an anlaysis:

	Rs.
Received from debtors	64,000
Additional capital introduced on 1.10.2019	8,000
Loan from Sam @16% on 1.7.2019	10,500
Paid to creditors	57,700
Withdrawal from bank	36,000
General expenses paid	3,900
Salaries paid	3,000
Drawings	4,000
Deposit made into the bank	50,000

Following balances existed on 1.1.2019:

Debtors	15,300
Creditors	11,500
Bank overdraft	8,000
Building	42,500
Stock	21,800
Cash	600

Following balances existed on 31.122019:

Debtors	16,000
Creditors	11,900
Stock	26,000

Depreciate building @5% and provide interest on Sam's loan. 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. Gupta Ltd invited applications for issuing 30,000 equity shares of Rs 10 each at a premium of Rs. 30 per share. The amount was payable as follows.

    On application - Rs. 10 per share (including Rs. 8 premium)

    On allotment - Rs. 12 per share (including Rs. 9 premium)

    On first and final call - Balance

    Applications for 27,000 shares were received. All the calls were made and duly received except on 3,000 shares held by Shiva who failed to pay the allotment and first and final call money and 2,000 shares of Giri who did not pay the first and final call. Shares of Shiva and Giri were forfeited. Out of these shares 4000 shares were re-issued including all the shares of Giri @ Rs. 17 per share as fully paid up.

    Show necessary journal entries.

26. Define accounting standard. What are the advantages and disadvantages of accounting standards?

27. Discuss the Challenges of convergence of IFRS.

(2 × 10 = 20 Marks)

****