

20U219A

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Name:

Reg. No:

SECOND SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2021

(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. Differentiate between expenses and expenditure.
2. Rajan commenced business with Machinery Rs.6,000, Furniture Rs.4,000 and Cash Rs.5,000. Show entries
3. What do you mean by direct expenses? Give two examples.
4. What is profit and loss account?
5. What do you mean by fictitious assets?
6. What is net hire purchase price?
7. What is Down Payment?
8. What is Stock and Debtors system?
9. What are the objectives of Branch Accounting?
10. What is Right Shares?
11. What is cash in transit and goods in transit?
12. What are the advantages of hedges?
13. Define the term joint stock company.
14. Define Bonus shares.
15. Distinguish between bond and debenture?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

16. Define accounting and explain the objectives of accounting.
17. 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.

(1)

Turn Over

18. A mini bus is purchased for Rs.1,60,000 under the hire purchase agreement on 1st January 2008. The amount payable is Rs.40,000 on 1st January 2008 on entering the agreement and balance in three annual instalments of Rs.50,000 each at the end of the year. Depreciation is charged at 10% on written down value method. Show the asset account and hire vendor account in the books of the purchaser.
19. Mention the journal entries required for the incorporation of Branch Trial Balance in Head Office book.
20. State the legal provisions as to the utilization of the share premium.
21. Amrita Ltd made an issue of 10000 equity shares of Rs. 15 each payable as follows:
Rs. 4 per share on application
Rs. 7 per share (including premium of Rs.2) on allotment
Rs. 6 per share on first call
Mr. Mohanlal holding 50 shares failed to pay allotment and call money. Mr. Devan holding 80 shares failed to pay the call money all these shares were forfeited pass necessary journal entries to record the above.
22. Distinguish between convertible debenture and non-convertible debenture?
23. Solar Ltd., issued, 4000, 11% debentures of Rs.100 each at a premium of 10% payable as follows:
Rs.25 on applications; Rs.45 on allotment (including premium); Rs.40 on first & final call. All debentures were subscribed by the public and all the money due were received. Pass the necessary journal entries in the books of company

(Ceiling: 35 Marks)

Part C (Essay questions)Answer any *two* questions. Each question carries 10 marks.

24. The following are details of transactions of a branch.

	Rs.
Goods sent to branch at cost	50,000
Goods returned from branch at cost	3,000
Expense paid by head office	10,000
Remittance received from branch	45,000
Received from debtors by the branch	42,500
Credit sales	51,000
Closing stock with branch	17,000
Branch debtors (Closing balances)	7,700
Discount allowed to customers by branch	1,800
Cash sales	2,500

You are required to record the above transactions in the books of accounts in the head office by using Debtors system.

25. From the undernoted trial balance of a traders as on 31-12-2020. Prepare trading and profit and loss A/C for the years ended 31-12-2020 and balance sheet as on that date.

Trial Balance			
Cash in hand	1,200	Capital	80,000
Purchases	1,20,000	4% Bank Loan	20,000
Opening Stock	35,000	Bills Payable	22,000
Debtors	50,000	Creditors	24,000
Plant and Machinery	60,000	Sales	2,00,000
Furniture	15,000	Bad debts Reserve	1,200
Bills Receivables	20,000		
Rent and Taxes	10,000		
Wages	16,000		
Salaries	20,000		
Total	3,47,200	Total	3,47,200

Adjustments:

- (a) Closing stock Rs. 40,000
(b) Provide outstanding liabilities: Rent and Taxes Rs. 2000, wages Rs. 3000, salaries Rs. 4000
(c) Depreciation a Plant and Machinery @ 5%, on furniture @ 10%
(d) Write off Rs. 500 as bad debts.
(e) Create bad debts reserve @ 2.5% on Sunday debtors.
26. What do you understand by a accounting principles? Explain briefly the various concepts and conventions.
27. National heavy chemical Ltd forfeited 500 equity shares of Rs.100 each issued at 10% of premium (to be paid at the time of allotment) on which first call of Rs.30 per equity share was not received, the second and final call of Rs.20 per share was not yet called.
Give journal entries regarding forfeiture and re-issue of shares in each of the following alternative cases.
Case 1: if 200 of these shares were re-issued as Rs.80 paid up for Rs.90 Per Share
Case 2: if 200 of these shares were re-issued as Rs.80 paid up for Rs.80 Per share
Case 3: if 200 of these shares were re-issued as Rs 80 paid up for Rs.70 Per share
Case 4: if 200 of these shares were re-issued as Rs 80 paid up for Rs.30 Per share
Case 5: if 200 of these shares were re-issued as fully paid up for Rs.50 Per share

(2 × 10 = 20 Marks)
