

31. From the following trial balance, prepare final accounts of the company for the year ended 31<sup>st</sup> December 2019.

Land and building	1,00,000	
Paid up capital		1,20,000
Reserve fund		32,000
Purchase and sales	1,92,000	3,56,000
Salaries	24,800	
Wages	18,400	
Preliminary expenses	16,000	
Interest		4,800
Profit and loss appropriation account		64,500
Carriage	8,400	
Opening stock	60,000	
Returns	12,800	16,400
Audit fees	8,400	
Freight	8,200	
Interim dividend	7,200	
Bills receivables and payables	25,400	20,800
Calls in arrears	8,000	
Cash in hand and at bank	10,400	
Goodwill	24,800	
Debtors and creditors	28,200	35,600
Investment	34,000	
Furniture	28,000	
6 % debentures		80,000
Bank OD		10,400
Plant and machinery	1,20,000	
Bad debts	5,500	
	<u>7,40,500</u>	<u>7,40,500</u>

- Closing stock Rs. 43,200
- Depreciate furniture by 5% and machinery by 10 %.
- Provide for doubtful debts 5 % on debtors.
- Write off preliminary expenses by 25 %.
- Provide debenture interest for one year.

(2 × 15 = 30 Marks)

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(4)

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(Pages: 4)

Name: .....

Reg. No: .....

**SECOND SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, APRIL 2021**

(Regular/Supplementary/Improvement)

(CUCBCSS-UG)

**CC17U BCP2 B04 - FINANCIAL ACCOUNTING**

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

**Part A**

Answer *all* questions. Each question carries 1 mark.

(A) Choose the correct answer:

- Total number of Ind AS which are notified as of date.  
a) 39                      b) 66                      c) 69                      d) 40
- The receipts and payment account is:  
a) Real account                      b) Nominal account  
c) Personal account                      d) Representative personal account
- In single entry system, it is not possible to prepare:  
a) Receipts and Payments account                      b) Trial balance  
c) Trial balance                      d) Account sales
- Accounting standards for investment property is given in:  
a) Ind AS 38                      b) Ind AS 19                      c) Ind AS 40                      d) Ind AS 12
- Interest accrued on investment is an \_\_\_\_\_  
a) Income                      b) Assets                      c) Liability                      d) Expense

(B) Fill in the blanks:

- Debenture holders are \_\_\_\_\_ of a company.
- The amount of depreciation goes on decreasing every year under \_\_\_\_\_ method.
- Share application account is \_\_\_\_\_ account.
- Event that arises after the financial statements are published are called \_\_\_\_\_
- Dividend is calculated on \_\_\_\_\_ capital.

(10 × 1 = 10 Marks)

**Part B (Short Answer Questions)**

Answer any *eight* questions. Each question carries 2 mark.

- What is legacy?
- What is right issue?
- What is corporate dividend tax?
- What is ESOP?

(1)

**Turn Over**

- 15. What are prior period errors?
- 16. Define contingent assets.
- 17. State the meaning of reserve capital.
- 18. What is Zero coupon bond?
- 19. What is Statement of Changes in Equity?
- 20. What do you mean by redeemable debenture?

(8 × 2 = 16 Marks)

**PART C (Short Essay Questions)**

Answer any *six* questions. Each question carries 4 marks.

- 21. On 1<sup>st</sup> January 2010, X limited company purchased machinery for Rs. 24,000 and 30<sup>th</sup> June 2011, it acquired additional machinery at a cost of Rs. 4,000. On 31<sup>st</sup> March 2012, one of the original machines had cost of Rs. 1000 was found to have become obsolete and was sold as scrap for Rs. 100. It was replaced on that date by a new machine costing Rs. 1600. Depreciation to be provided at the rate of 15 % p.a. on WDV. Show machinery account for the first 3 years.
- 22. XYZ Ltd took over assets Rs. 1,90,000 and liabilities amounted to Rs. 15,000 of PQ Ltd for the purchase consideration of Rs. 1,66,500. The company issued debenture at 10 % discount in full satisfaction of the purchase price. Show entries in the books of XYZ Ltd.
- 23. What are the advantages of IFRS convergence?
- 24. Distinguish between share and debentures.
- 25. What is meant by accounting for impairment of assets?
- 26. Explain the objectives of Accounting Standards.
- 27. From the following balances, calculate cash from operating activities.

Particulars	31-12-2018	31-12-2019
Stock	30,000	25,000
Bills payable	17,500	11,000
Debtors	12,500	11,500
Creditors	16,000	14,000
Outstanding expense	1,750	2,250
Accrued income	4,000	4,500
Profit and loss account	40,000	45,000

- 28. Mr. Rahul kept his books on single entry system. His position on 31<sup>st</sup> March 2018 was as follows: Cash in hand Rs. 400, cash at bank Rs. 6,000 stock Rs. 40,000 Debtors Rs. 17,000 Furniture Rs. 3,600 Plant and Machinery Rs. 30,000 Sundry Creditors Rs. 44,000 Mr. Rahul put Rs. 10,000 during the year as new capital and his drawings were @ Rs. 1,500 per month. His position on 31<sup>st</sup> March 2019 was as follows: Cash in hand Rs. 600 cash at bank Rs. 4,000 sundry debtors Rs. 28,000 Stock Rs. 38,000 Plant and Machinery Rs. 54,000 Furniture Rs. 3,000 Sundry Creditors Rs. 58,000 From the above information, prepare a statement of affairs showing profit or loss during the year ending 31<sup>st</sup> March 2019.

(6 × 4 = 24 Marks)

**PART D (Essay Questions)**

Answer any *two* questions. Each question carries 15 marks.

- 29. Following is the Receipts and Payments account of Bombay Club for the first year ending 31<sup>st</sup> December 2018.

Receipts	Amount	Payments	
Specific donation	25,000	Pavilion constructed	20,000
Life membership fees	2,000	Expenses in connection with match	450
Receipts from football match	4,000	Furniture	1,050
Revenue receipts:		Investment	8,000
Subscription	2,600	Revenue payments:	
Local rent	25	Salaries	900
Interest on securities	120	Wages	300
Sundries	175	Insurance	175
		Telephone	125
		Electricity	55
		Sundry expenses	105
		Balance c/d	2760
	<u>33,920</u>		<u>33,920</u>

- 1. Subscription outstanding for 2018 are Rs. 125
- 2. Salaries unpaid for 2018 Rs. 85
- 3. Wages unpaid for 2018 Rs. 45
- 4. Outstanding bill for sundry expenses is Rs. 20
- 5. Donation received have to be capitalized

Prepare from the details given above, an income and expenditure account for the year ended 31<sup>st</sup> December 2018 and the balance sheet of Bombay Club as on 31<sup>st</sup> December 2018.

- 30. Suvarna Ltd made an issue of 20,000 equity shares of Rs. 15 each payable as follows:
  - a) Rs. 4 on application
  - b) Rs. 7 per share (including Rs. 2 per share as premium) on allotment.
  - c) Rs. 6 per share on first call
  - d) All the shares were subscribed by the public.

Mr. X holding 100 shares failed to pay the allotment and call money. Mr. Y holding 160 shares failed to pay the call money. All these shares were forfeited and subsequently re issued to Mr. Z as fully paid up at discount of Rs. 3 per share. Pass necessary journal entries in the books of the company.