

21U219

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Name:

Reg. No:

SECOND SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2022

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BCM2 B02 - FINANCIAL ACCOUNTING

(Commerce - 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 gross profit?
2. Give any two differences between Profit & Loss Account and Statement of Profit/Loss.
3. What is right issue?
4. What do you mean by minimum subscription?
5. What are convertible preference shares?
6. Give the meaning of calls in arrears.
7. What is lien on shares?
8. Distinguish between bond and debenture?
9. Define accounting standards.
10. What is FASB?
11. What is IFRS?
12. State the meaning of conceptual framework?
13. Define the measurement of financial statements.
14. What are non- current assets?
15. A company set up a new factory in a backward area and purchased a plant for Rs. 500 lakhs. Purchases was entitled to a cenvat credit of 2% and was also eligible for a government subsidy of 30% for backward area development. Estimated residual value at the end of the useful life of the plant is Rs. 43 lakhs and the estimated useful life is 20 years. Compute the amount of depreciation to be charged per annum.

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

16. Mr. X commenced business on 1st January, 2019 with a capital of Rs. 10,000. During the year he introduced a further capital of Rs. 1,500. His drawings were Rs. 300 p.m. On 31st December, 2019 his position was as follows:

Cash in hand	Rs. 200
Cash at bank	Rs. 2600
Sundry creditors	Rs. 650
Bank overdraft	Rs. 5225
Sundry debtors	Rs. 4800
Stock	Rs. 6800
Bills Receivable	Rs. 1600
Furniture and fixtures	Rs. 1800

Ascertain his profit or loss made during the year.

17. Explain different categories of share capital.
18. Sharon forfeited 150 equity shares of Rs 10 each, issued at a premium of Rs 5 per share, held by Mohit for nonpayment 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. Solar Co. Ltd forfeited 200 equity shares of Rs 10 each, issued at a premium of Rs 4 per share, held by the John for the non-payment of final call of Rs 5 per share these shares were re-issued to Ganesh at a discount of Rs 3 per share give journal entries for the forfeiture and re-issue.
20. Explain the accounting treatment of interest on debenture.
21. M Ltd took a loan of Rs. 1,00,000 from a bank giving Rs. 1,50,000, 9% debentures as collateral security. Pass the necessary journal entries regarding issue of debenture, if any and show this loan in the balance sheet of the company.
22. List out the objectives of financial statements.
23. Explain the general features of financial statements.

(Ceiling: 35 Marks)

Part C (Essay questions)

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

24. Arun keeps his books on single entry system. He gives you the following information:

	As on 31.12.2018	As on 31.12.2019
	Rs.	Rs.
Furniture	5,000	6,000
Stock	3,000	1,000
Sundry debtors	6,000	7,000
Sundry creditors	2,000	-
Prepaid expenses	-	200
Unpaid expenses	600	1,000
Cash in hand	1,100	300

Receipts and payments during the year:

Receipts from debtors	Rs. 21,000
Paid to creditors	Rs. 10,000
Cartage	Rs. 2,000
Drawings	Rs. 12,000
Sundry expenses	Rs. 16,000
Purchased furniture for cash	Rs. 1,000

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 after providing for bad debts at 10%. There was a considerable amount of cash sales.

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.
26. Define the term debenture. Explain the accounting treatment for the issue of debentures.
27. Discuss the benefits of convergence of IFRS.

(2 × 10 = 20 Marks)
