27. Unique Shoe stores has an old established Branch at Kanpur. Goods are invoiced to the Branch at 20% profit on invoice price, the Branch having been instructed to send all cash to Head Office. All expenses are paid by the Head Office except petty expenses which are met by the Bank Manager. From the following particulars, you are required to draw up Branch account as it would appear in the books of the Head Office, i.e., Unique Shoe stores:

		Rs
Stock on January 01, 2009(invoice price)		15,000
Sundry Debtors on January 01, 2009		9,000
Cash in Hand on January 01, 2009		400
Office furniture on January 01, 2009		1,200
Goods supplied by the Head Office (Invoice price)		80,000
Goods returned to Head Office		1,000
Goods returned by Debtors		480
Debtors at the end		8,220
Cash sales		50,000
Credit sales		30,000
Discount allowed		300
Expenses paid by Head Office:		
Rent	1,200	
Salary	2,400	
Stationary and printing	300	3900
Petty Expenses paid by Branch Manager		280
Stock on 31-12-2009(Invoice price)		14,000
Provided depreciation on furniture@10% p.a.		

(2 × 10 = 20 Marks)

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22U222 (Pages: 4) Name: ....

Reg. No: ....

SECOND SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2023

(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. What is ledger?
2. What is a sole trader?
3. What is profit and loss account?
4. Distinguish between capital expenditure and revenue expenditure.
5. What is total interest?
6. What is instalment payment system?
7. What is down payment?
8. What is Installment purchase system?
9. Name the main ways in which the head office keep branch accounts under branches not keeping full system of accounting.
10. Give journal entries for the following in the books of a head office.
    (a) Goods sent by head office on December 28 Rs.1500 not received by its Karnataka branch.
    (b) Goods sent by Delhi branch to Haryana branch for Rs.5000 are yet to be recorded.
11. Give the meaning of registered capital of a company.
12. What is pro-rata allotment?
13. State any four basic features of Bonus share.
14. Define Right shares.
15. Distinguish between fixed and floating charge.

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

16. Explain the nature and scope of accounting.
17. Explain different classes of assets.

18. 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.

19. What is hire purchase system? What are its features?

20. K purchases a motor cycle on instalment system. The total price of motor cycle payable is Rs. 4,000 as down payment and thereafter the instalment of Rs. 6,000; Rs.5,000 and Rs. 2,000 payable at the end of first, second and third year respectively. Interest is charged at 5% p.a. Calculate the cash price.

21. Difference between Branch Account and Branch Trail Balance.

22. 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.

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. Briefly explain the accounting concepts and conventions.

25. 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.

26. Raju and Reji are trading in partnership. From the following balances obtained from their books and other information, prepare final accounts for the year ending 30th June 2019.

Debit Balances	**Amount**	**Credit Balances**	**Amount**
Purchases	67,500	Raju's Capital	50,000
Furniture	3,800	Raju's Current a/c	22,280
Repairs	1,200	Reji's Capital	26,000
Carriage inwards	350	Reji's Current a/c	14,000
Plant and Machinery	30,000	Rent received	350
Wages	7,455	Sales	91,540
Land & Building	18,500	Allowances from creditors	2,920
Stock (01-07-2018)	30,000	Sundry creditors	4,670
Insurance	400		
Cash in hand	410		
Bad debts	500		
Advertising	1,200		
Allowances to Debtors	1,400		
Raju's Drawings	5,000		
Reji's Drawings	2,500		
Salaries	3,940		
Sundry debtors	9,620		
Rent and rates	1,500		
Cash at Bank	26,485		

On 30th June 2019 the stock on hand was valued at Rs. 37,510.

Adjustments:

1. Write off further Rs. 620 as bad debts and maintain a provision of 5% on Sundry debtors for doubtful debts.
2. Write off 20% on Furniture and 10% on machinery as depreciation.
3. Provide for interest on capital of partners at5%p.p.a., but no interest is payable on current account balances.
4. Transfer 5% of the net profits, after charging interest on capital, to a reserve fund before distributing the same among the partners.