

22U219

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Name:

Reg. No:

SECOND SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2023

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BCM2 B02 – FINANCIAL ACCOUNTING

(Commerce: Finance / Taxation – 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 memorandum trading account?
2. Ascertain the opening stock:
Purchases- Rs. 40,000
Sales- Rs. 60,000
Closing stock- Rs. 20,000
Rate of gross profit on sales- 20%
3. What is meant by ESOP?
4. What are convertible preference shares?
5. What is calls in arrear?
6. Give the meaning of over subscription of shares.
7. Ramesh was holding 300 shares of Rs 10 each of Rk company ltd. issued at 10% premium. He paid Rs 3 on application, Rs 4 on allotment but failed to pay the first call of Rs 2. These shares were forfeited by the directors of the company. Make journal entry to record the forfeiture.
8. What do you mean by charge?
9. Write a note on ASB.
10. What is Ind AS?
11. Define Expenses.
12. List out the contents of financial statements.
13. Define the measurement of financial statements.
14. What are current liabilities?
15. What is dividend distribution tax?

(Ceiling: 25 Marks)

(1)

Turn Over

Part B (Paragraph questions)

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

16. Differentiate between single entry and double entry.
17. Explain different categories of share capital.
18. Distinguish between stock and shares.
19. X company Ltd invited applications for 10,000 shares of Rs 10 each. The amount is payable as Rs 3 on application, Rs 4 on allotment and balance Rs 3 on first and final call the issue was fully subscribed and cash was duly received. Pass journal entries.
20. A Ltd. issued Rs.2,00,000, 10% debentures at 95%. Subscriptions are payable as to Rs.40,000 on applications and balance on allotment. Expenses of the issue are Rs. 1000. Show the journal entries and the balance sheet of the company.
21. 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.
22. What are the challenges faced by India while implementing Ind AS?
23. How will you treat outstanding and prepaid expenses when preparing 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

(2)

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. State the structure of IASB.

(2 × 10 = 20 Marks)

(3)