

30. Following balances are extracted on 31st March, 2017 from the books of RAM Ltd.

	Rs		Rs.
Factory Premises at cost	4,50,000	Share Capital:	
Plant and Machinery at cost	3,49,160	30,000, 7% preference shares of Rs. 10 each	3,00,000
Motor Lorries at cost	73,000	Accrued wages	12,840
Sundry Debtors	1,21,780	60,000 equity shares of Rs. 10 each	6,00,000
Bad Debts written off	2,850	Staff Benevolent fund	17,900
Rent, Rates and Taxes	28,400	Surplus a/c	16,240
Advertisement	19,500	Gross profit for the year	2,46,640
Cash in hand and at Bank	68,500	Provision for doubtful debts	9,000
Directors' Fees	3,600	Sundry creditors	1,29,640
Audit Fees	10,000	Transfer fees	110
Stock on 31-03-2017	1,14,600		
Rent & Taxes paid in advance	7,980		
Salaries & Wages	32,000		
Dividends paid on :			
Preference shares	21,000		
Equity shares (Interim)	15,000		
Patents	15,000		
	<u>13,32,370</u>		<u>13,32,370</u>

- The provision for doubtful debts is to be made up to Rs. 10,000.
- The Factory Premises, Plant and Machinery and Motor Lorries are to be depreciated by 3%, 15% and 20% respectively.
- The Authorised Capital of the company is Rs. 10,00,000 divided into 1,00,000 shares of Rs.10 each. You are required to prepare:
 - Statement of Profit and Loss for the year ended 31st March, 2017.
 - Balance Sheet as at 31st March, 2017 in the form prescribed under the Companies Act, 2013.

31. What is depreciation? What are its objectives? State the methods for providing depreciation.
(2 × 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No.....

SECOND SEMESTER B.Com. (PROFESSIONAL) DEGREE EXAMINATION, APRIL 2023

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP2 B04 – FINANCIAL ACCOUNTING

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Section A

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

A) Choose the correct answers:

- Calls in advance is a _____ to the company
 - Assets
 - Earnings
 - Liability
 - None of these
- Premium on issue of debentures is a _____
 - Capital loss
 - Revenue profit
 - capital profit
 - None of these
- Donation received for a specific purpose is taken into _____
 - Income and expenditure a/c
 - liability side of the balance sheet
 - liability side of the balance sheet
 - None of these
- Accounting Standard Board was set up in
 - IFRS
 - Ind AS
 - AS
 - None of these
- Gross profit is the difference between
 - Sales and sales return
 - Sales and total expenses
 - sales and cost of goods sold
 - sales & purchases

B) Fill in the blanks:

- The account prepared to find out credit sale is called _____
- The shares which carry preferential rights are called _____
- Debenture holders are _____ of a company.
- International Accounting Standard is now known as _____
- The dividend recommended by board of directors is known as _____

(10 × 1 = 10 Marks)

Section B (Short Answer Questions)

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

- What are the various types of single entry system?
- What is forfeiture of shares?
- What is IFRS?

(1)

Turn Over

14. Describe the principle of measurement.
15. What is borrowing cost?
16. What is legacy?
17. State the objectives of financial statements.
18. What is Statement of Changes in Equity (SOCE)?
19. What do you mean by minimum subscription?
20. State the meaning of reserve capital.

(8 × 2 = 16 Marks)

Section C (Essay)

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

21. Distinguish between Income and Expenditure and Receipts and Payments a/c?
22. State the limitations of financial statements.
23. State the objectives of accounting standards in India.
24. what is meant by impairment of assets (Ind as 36 and IAS 36)
25. Why is FASB important?
26. From the following figures drawn from the books of a trader who maintains his accounts as per the single entry system, you are required to calculate total sales:

	Rs.		Rs.
Bills receivable at the beginning of the year	7,800	Bad debts written off	2,800
Debtors at the beginning of the year	30,800	Return inward	8,700
Bills receivable encashed during the year	20,900	Bills receivable dishonoured	1,800
Cash received from debtors	70,000	Bills receivable at the end of the year	6,000
Debtors at the end of the year	25,500	Cash sales as per cashbook	40,900

27. XY Store is a departmental store which makes a gross profit of 25% on net sales. The following figures for the year end are available.

	Rs.		Rs.
Opening inventory	1,00,000	Purchase return	7,00,000
Freight inward	20,000	Gross sales	9,00,000
Sales return	22,500		

Compute the estimated cost of inventory on the closing date.

28. Bluebell Ltd. incurred the following costs in connection with the purchase of a plant:

	Rs.
Cost of the plant	5,00,000
Rebate allowed by the vendor	2 %
Excise duty on purchase (the company can claim a CENVAT credit of Rs. 20,000 on excise duty paid)	50,000
Transportation costs (delivery to Star Ltd. factory premises)	30,000
Technical staff provided by the vendor for commencing the operation of the plant	40,000
Cost of preparing the site for plant installation	10,000
Cost of promotional activities	18,000

During the installation process, the plant was subjected to commercial production on test basis and sample quantity of finished goods was manufactured during the period. The cost of producing such samples was 75,000. These samples were sold for Rs. 20,000. Based on the above, what should be the cost of plant in the books of Bluebell Ltd.

(6 × 4 = 24 Marks)

Section D (Essay)

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

29. AB Ltd. invited application for 20,000 of its equity shares of Rs. 10 each at a premium of Rs. 2 per share, payable Rs. 3 on application, Rs. 7 on allotment including premium and the balance on first and final call. Applications for 25,000 shares were received. It was decided:
 - (a) To refuse allotment to the applicants for 1,000 shares.
 - (b) To allot in full to applicants for 4,000 shares.
 - (c) To allot the balance of the available shares in pro-rata among the other applicants.
 - (d) To utilize the excess application money in part payment of allotment money.

Mr. Rajeev holding 200 shares to whom shares had been allotted on prorata basis failed to pay the amount due on allotment and call and Mr. Sajeev holding 100 shares to whom full allotment was made failed to pay the call money only. These shares were forfeited. 160 forfeited shares of Rajeev and 40 forfeited shares of Sajeev were reissued at a discount of Rs. 1 per share to Mr. Vijayan.

Show the journal entries including cash in the books of AB Ltd.