

C 22023

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Name.....

Reg. No.....

SECOND SEMESTER (CBCSS-UG) DEGREE EXAMINATION, APRIL 2022

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2021 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. What is meant by the Business Entity concept ?
2. What do you mean by called-up capital ?
3. What is an instalment system ?
4. What do you mean by journalizing ?
5. What is a Balance Sheet ?
6. What do you mean by a nominal account ? Give an example.
7. What is meant by Under Subscription ?
8. List out any four features of nature of accounting.
9. What do you mean by the Forfeiture of shares ?
10. What is meant by Depreciation ?
11. What do you mean by a trial balance ?
12. What are convertible and non-convertible debentures ?
13. What are Accounting Conventions ?
14. What do you mean by dependent branches ?
15. List out any two differences between Hire Purchase and Instalment System.

(10 × 3 = 30 marks)

Turn over

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. What are the various limitations of accounting ?
17. Give adjusting entries for the following :
- (a) Outstanding salary of Rs. 35,000.
 - (b) Rent received in advance Rs. 5,500.
 - (c) Provision for doubtful debts Rs. 3,000.
 - (d) Provision for discount on creditors Rs. 7,000.
 - (e) Interest accrued Rs. 2,500.
18. List out the differences between the Profit and Loss Account and Balance Sheet.
19. The partnership agreement between Mansoor and Maneesh provides that :
- (a) Profits will be shared equally.
 - (b) Mansoor will be allowed a salary of Rs. 800 p.m.
 - (c) Maneesh who manages the sales department will be allowed a commission equal to 10 % of the net profits, after allowing Mansoor's salary.
 - (d) 7 % interest will be allowed on the partner's fixed capital.
 - (e) 5 % interest will be charged on the partner's annual drawings.
 - (f) The fixed capitals of Mansoor and Maneesh are Rs. 2,00,000 and Rs. 1,60,000 respectively. Their annual drawings were Rs. 32,000 and 28,000 respectively. The net profit for the year amounted to Rs. 80,000.

Prepare the firm's Profit and Loss Appropriation Account.

20. On 1st April 2020 the balance of provision for bad and doubtful debts was Rs. 13,000. The bad debts during the year 2020-21 were Rs. 9,500. The sundry debtors as on 31st March, 2021 stood at Rs. 3,25,000 out of these debtors of Rs. 2,500 are bad and cannot be realized. The provision for bad and doubtful debts is to be raised to 5 % on sundry debtors.
- (a) Pass necessary adjustment entries for bad debts and its provision on 31st March, 2021.
 - (b) Show the relevant items in the profit and loss account and Balance Sheet.
21. Asha purchased a printer on Hire Purchase system. She is required to pay 1,600 down, 800 at the end of the first year and 600 at the end of the second year and 1400 at the end of the third year. Interest is charged at 10 % p.a. calculate the cash price and interest of each instalment.

22. ABC Ltd. issued 40,000, 10 % Debenture of ₹ 100 each at par for cash payable in full along with the application. Applications were received for 60,000 debentures. Debentures were allotted and excess application money was refunded. Pass Journal entries in the books of the company.
23. The profit for the five years ending on 31st March are as follows :

Year	Profit ₹
2016 ...	4,00,000
2017 ...	3,98,000
2018 ...	4,50,000
2019 ...	4,45,000
2020 ...	5,00,000

Calculate the goodwill of the firm on the basis of 4 years' purchase of 5 years' average profit.

(5 × 6 = 30 marks)

Section C

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

24. Define Partnership. What do you mean by a partnership deed ? Also, list out its contents.
25. Prepare Trading A/c, Profit and Loss A/c and Balance Sheet :

₹		₹	
Purchases	... 3,00,000	Sales	... 4,50,000
Opening stock	... 50,000	Rent	... 4,000
Carriage inwards	... 5,000	Creditors	... 40,000
Salaries	... 24,000	Provision for bad debts	... 1,000
Carriage outwards	... 8,000	Capital	... 2,75,000
Administrative expenses	... 25,000		
Debtors	... 50,000		
Bad debts	... 4,000		
Return inwards	... 10,000		
Land and buildings	... 2,40,000		
Cash in hand	... 4,000		
Cash at bank	... 50,000		
	<u>7,70,000</u>		<u>7,70,000</u>

Turn over

Additional information :

- (a) Closing stock 40,000.
 - (b) Further bad debts to be written-off 10,000.
 - (c) Provision for doubtful debts to be kept at 10 %.
 - (d) Charge depreciation on land and buildings at 10 %.
 - (e) Administrative expenses outstanding Rs. 5,000.
26. The Authorized capital of a company is 200,000 shares worth Rs. 10 each. In March 2021. 50,000 shares are issued for subscription at a Premium of Rs. 2 per share. The share money payable is as follows : Rs. 5 (including the premium of Rs. 2) with application Rs. 3 on Allotment Rs. 2 on First Call and Rs. 2 on Final Call. Pass Journal entries.
27. The ABC Trading Company Ltd. Cochin has a branch in Calicut. The head office pays all expenses except petty expenses which were met by the branch. All cash received by the branch was remitted to the head office daily. The following are the transactions between head office and branch during the year ending 31st December 2021 :

<i>Particulars</i>	<i>Amount</i>
	Rs.
Stock at branch 1st January 2021	... 28,000
Branch debtors on 1st January 2021	... 8,000
Petty cash on 1st January 2021	... 800
Goods sent to the branch during the year	... 1,20,000
Cash sales	... 1,60,000
Credit sales	... 80,000
Cash received from the debtors	... 64,000
Goods returned by the branch	... 4,000
Returns from customers	... 6,000
Cheque sent to branch for expenses :	
Salary	... 12,000
Rent	... 4,000
Petty cash	... <u>2,000</u> 18,000
Stock at the branch on 31st December 2021	... 16,000
Branch debtors on 31st December 2021	... 18,000
Petty cash at the branch on 31st December 2021	... 1,200

Prepare the Calicut Branch account in the Cochin office books.

(2 × 10 = 20 marks)