



Reg. No. : .....

Name : .....

**First Semester B.B.A. Degree Examination, December 2016  
(Career Related First Degree Programme Under CBCSS)**

**Core Course**

**BM 1143 : FINANCIAL ACCOUNTING**

**(2014 Admission Onwards)**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

Answer **all** questions in **one** word or **two** sentences. **Each** question carries **1** mark.

1. What is Accounting Entity Principle ?
2. What are closing entries ?
3. What is Journal Proper ?
4. What are compensating errors ?
5. What do you mean by 'self-balancing' ?
6. What is a debenture ?
7. What is a Suspense Account ?
8. What is a Trial Balance ?
9. What is Depreciation ?
10. What do you mean by Authorised Capital ?

**(10×1=10 Marks)**



## SECTION - B

Answer **any eight** questions **not** exceeding **one** paragraph **each**. **Each** question carries **2** marks.

11. What are Fixed Assets ? Give two examples.
12. Give two points of differences between a Trial Balance and a Balance Sheet.
13. What do you understand by 'Sectional Balancing' ?
14. Give a brief account of 'Forfeiture of Shares'.
15. What is a 'Compound Journal Entry' ?
16. What do you understand by 'Errors of Principle' ? Give an example.
17. What is a Trading Account ?
18. Write a short note on 'Bad Debts Recovered'.
19. What are intangible assets ?
20. State the legal provisions as to the utilisation of share premium.
21. What are the effects of forfeiture of shares ?
22. Give journal entries when debentures are issued at discount. **(8x2=16 Marks)**

## SECTION - C

Answer **any six** questions **not** exceeding **120** words. **Each** question carries **4** marks.

23. Name the important types of Journal.
24. "The mere agreement of Trial Balance does not mean that everything is alright with accounts". Explain.

25. Journalise the following transactions :

- i) Started business with Rs. 1,00,000.
- ii) Purchased goods for Rs. 25,000 on cash.
- iii) Sold goods to A on credit Rs. 15,000.
- iv) Purchased a machine from AB and Co. for Rs. 5,000.

26. Distinguish between a Trial Balance and a Balance Sheet.

27. Rectify the following errors :

- i) The purchase of a machinery for Rs. 5,000 has been entered in Purchase Day Book.
- ii) Received Rs. 1,000 from Mahesh but credited to Mohan's Account.
- iii) A sale of old machinery for Rs. 7,000 has been entered in Sales Account.
- iv) Rs. 500 paid as wages for erection of a machine has been charged to Repairs Account.

28. On 1-1-2014 balance of Provision for Bad debts was Rs. 1,500. During the year 2014, the Bad debts written off amounted to Rs. 440. On 31-12-2014 Sundry debtors stood at Rs. 15,000 and 5% Provision for Bad debts is to be kept. Show the journal entries.

29. You are given the following information by Mr. Arun Kumar. Prepare a Trading Account for the year ended 31<sup>st</sup> March, 2015.

	Rs.		Rs.
Opening stock	18,000	Returns inward	200
Purchases	43,000	Carriage	350
Returns outward	250	Wages	175
Sales	65,000	Closing stock	12,000



30. A company issued 10000, 9% debentures of Rs. 100 each at a premium of Rs. 5, payable as follows :

On application Rs. 40 (including premium)

On allotment Rs. 65

All the debentures were subscribed for and the money was duly received.

Pass necessary journal entries.

31. Match the following sets A and B :

A	B
i) Unpaid wages	i) Trading Account
ii) Two aspects	ii) Sales returns
iii) Credit Note	iii) Asset
iv) Accrued income	iv) Purchases returns
	v) Double entry
	vi) Liability

**(6×4=24 Marks)**

#### SECTION – D

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

32. What do you mean by GAAP ? Explain any 10 accounting standards issued by the Institute of Chartered Accountants of India.

33. "A Trial Balance is only a prima facie evidence of the accuracy of the books of accounts". Discuss.



34. The following is the Trial Balance as on 31-12-2014 of Mr. Vinod, a sole trader :

	Dr.	Cr.
	Rs.	Rs.
Stock (January 1, 2014)	2,400	-
Purchases and Sales	26,000	32,000
Returns outwards	-	375
Wages	1,660	-
Machinery repairs	175	-
Rates	625	-
Salaries	1,106	-
Loan interest	50	-
Commission	44	-
Lighting	230	-
Sales tax	2,000	-
Rent received	-	75
Discount	-	260
Debtors and Creditors	1,025	865
Loan at 5%	-	1,000
Bank overdraft	-	500
Cash in hand	60	-



Machinery	1,200	-
Land and buildings	6,750	-
Drawings	900	-
Capital Account (January 1, 2014)	-	9,150
	<b>44,225</b>	<b>44,225</b>

The stock at Dec. 31, 2014 was valued at Rs. 2,700. You are required to prepare Mr. Vinod's Trading and Profit and Loss Account for the year ending December 31, 2014 and his Balance Sheet as on that date.

35. From the following particulars, prepare Sales Ledger Adjustment Account and Bought Ledger Adjustment Account as they would appear in the General Ledger as on June 30, 2015.

2015

		Rs.
June 1	Balance on Bought Ledger (Dr.)	870
	Balance on Bought Ledger (Cr.)	11,940
	Balance on Sales Ledger (Dr.)	14,620
	Balance on Sales Ledger (Cr.)	240
June 30	Purchases	66,180
	Purchase returns	2,560
	Sales	87,490
	Sales returns	1,170
	Cash received from customers	76,210



Discount allowed thereon	2,820
Cash paid to suppliers	58,430
Discount allowed thereon	1,660
Cash paid to customers	130
Bills receivable	4,120
Bills payable	2,250
Bills receivable dishonoured	250
Bought Ledger Balance (Dr.)	770
Sales Ledger Balance (Cr.)	420

(2x15=30 Marks)

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