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Reg. No. :

Name :

**First Semester B.B.A. Degree Examination, January 2016
(Career Related First Degree Programme Under CBCSS)
Core Course
BM – 1143 : FINANCIAL ACCOUNTING
(2015 Admission)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. Define Accounting.
2. What do you understand by GAAP ?
3. What is Full Disclosure Principle ?
4. What is an Opening Entry ?
5. What do you mean by Errors of Commission ?
6. What are Control Accounts ?
7. What do you understand by 'Allotment of Shares' ?
8. What do you mean by 'Accrued Income' ?
9. What are Preference Shares ?
10. What do you mean by Calls-in-arrears ?

(10×1=10 Marks)

SECTION – B

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

11. What are the objects of preparing Trial Balance ?
12. Write a short note on Deferred Revenue Expenditure.
13. What do you understand by 'Double Entry System' ?
14. What are outstanding expenses ? Give an example.
15. Give two examples of Current Liabilities.
16. Write a short note on Journalising.

P.T.O.



17. Rectify the following errors without opening a Suspense Account :
- A sale to Babu for Rs. 261 has been entered in Sales Book as Rs. 216.
 - A Desktop computer purchased for Rs. 30,000 has been entered in the Purchase Book.
18. "Accounting is the Language of Business" – Comment.
19. What do you mean by issue of shares at discount ?
20. Give journal entry when forfeited shares are re-issued.
21. Write a short note on surrender of shares.
22. What are the preferential rights of preference share holders ? **(8x2=16 Marks)**

SECTION – C

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

23. What are the different accounting conventions ? Explain briefly.
24. Distinguish between Journal and Ledger.
25. Explain the following terms :
- Voucher
 - Capital
 - Transaction
 - Account.
26. A portion of the Trial Balance of a firm on 31-12-2014 is as follows :

Sundry Debtors	Rs. 10,000
Bad Debts	Rs. 300

It is estimated that 5% of the Sundry Debtors is doubtful as to recovery.

Give journal entries and also show how different items would appear in Profit and Loss Account and Balance Sheet.

27. From the following, prepare Total Debtors Account :

	Rs.		Rs.
Opening balance of sundry debtors	48,500	Bills payable accepted	12,000
Opening balance of sundry creditors	36,900	Bills receivable received	10,000
Credit purchases	11,520	Bills receivable dishonoured	4,000
Credit sales	26,400	Goods returned by debtors	1,800
Discount allowed	1,250	Goods returned to creditors	1,440
Discount received	825	Bad debts	625
		Cash received from debtors	48,675



28. Show how will you rectify the following errors :

- i) A credit sale of Rs. 450 to Mr. Bhat was debited to Mr. Bava.
- ii) A purchase of goods for Rs. 750 from Mr. Sen was debited to his account.
- iii) An office furniture purchased for Rs. 750 was debited to Repairs Account.
- iv) A sum of Rs. 350 received from a debtor was debited to his account.

29. The following balances were extracted from the books of a Sole Trader on 30th June, 2015. Prepare his Trading Account.

	Rs.		Rs.
Opening stock account	2,000	Purchases account	4,000
Closing stock account	1,500	Sales account	7,000
Returns inward account	300	Freight account	100
Returns outward account	200	Carriage account	75
Wages account	350		

30. A Limited Company issued 10000 equity shares of Rs. 10 each, payable Re. 1 on application, Rs. 2 on allotment, Rs. 3 on first call and Rs. 4 on final call. All shares were subscribed and amounts duly received. Pass entries in the books of the company.

31. Pass the opening entry on January 1, 2015 on the basis of the following information taken from the business of Mr. Sugunan.

- i) Cash in hand Rs. 2,000
- ii) Sundry Debtors Rs. 6,000
- iii) Stock of Goods Rs. 4,000
- iv) Plant Rs. 5,000
- v) Land and Buildings Rs. 10,000
- vi) Sundry creditors Rs. 10,000

(6×4=24 Marks)

SECTION – D

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

32. Define accounting standards. Explain any 8 accounting standards issued by the Institute of Chartered Accountants of India.

33. What do you mean by Accounting Concepts ? Discuss in detail the important concepts of accounting.



34. From the following Trial Balance and additional information, prepare final accounts of Mr. Mathew for the year ended 31st December, 2014.

Trial Balance			
Debit balances	Rs.	Credit balances	Rs.
Salaries	3,000	Bank overdraft	3,000
Wages	2,000	Sales	41,740
Purchases	25,000	Capital account	22,000
Returns inward	750	Creditors	7,000
Opening stock	9,000	Discount	300
Drawings account	4,800	Returns outward	450
Sundry expenses	380		
Travelling expenses	290		
Cash in hand	2,850		
Debtors	13,500		
Furniture	1,500		
Machinery	4,000		
Building	7,000		
Bad debts	340		
Insurance	80		
	74,490		74,490

Additional information :

- Provide depreciation for building 5%, Machinery and Furniture 10%.
 - Provide for doubtful debts at 5% on debtors.
 - Outstanding salaries Rs. 250, Wages Rs. 150.
 - Prepaid insurance Rs. 20.
 - Closing stock Rs. 10,000.
35. Mr. Gopal is the holder of 200 shares of Rs. 10 each. He had paid on these shares, application money of Rs. 2 each, allotment money of Rs. 2 each and first call money of Rs. 3 each. He failed to pay the final call amount of Rs. 3 per share. His shares were forfeited and re-issued at Rs. 8 per share as fully paid up.
- Give necessary entries to record the forfeiture and re-issue. **(2×15=30 Marks)**