



Reg. No. :

Name :

First Semester B.B.A. Degree Examination, November 2018
(Career Related First Degree Programme under CBCSS)
Core Course
BM 1143 – FINANCIAL ACCOUNTING
(2017 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

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

- 1) Define Accounting.
- 2) What is opening entry ?
- 3) What is going concern concept ?
- 4) What is an account ?
- 5) What is Historical cost principle ?
- 6) What is accounting equation ?
- 7) What is Journal ?
- 8) What is narration ?
- 9) What is cash book ?
- 10) What is closing stock ?

(10×1=10 Marks)

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

- 11) Explain contra entries.
- 12) Draw the specimen of journal.
- 13) What are the importance of Profit and Loss Account ?
- 14) What are the qualitative characteristics of accounting information ?
- 15) The following information relates to a business for the year 2016.

Ascertain the gross profit.

Opening stock – Rs. 16,000, Purchases – Rs. 40,000,
Purchases returns – Rs. 1,500, Direct expenses – Rs. 3,000,
Sales – Rs. 78,000, Sales Returns – Rs. 2,400, Closing stock – Rs. 13,000.

- 16) Discuss the concept of debit and credit.
- 17) Explain the rules of debit and credit of various accounts under
a) American approach.

P.T.O.



- 18) What are errors of commission ?
 19) What are the characteristics of a Balance Sheet ?
 20) Why is harmonization of accounting standards necessary ?
 21) What is deferred revenue expenditure ?
 22) What are the needs for accounting standards ?

(8x2=16 Marks)

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

- 23) Following relate to the books of a trader as on 31st December, 2015.

	Rs.
Opening stock	6,000
Purchases	16,800
Sales	29,250
Sales returns	950
Purchases returns	800
Wages	9,000
Carriage inwards	450
Closing stock	7,500

Prepare Trading Account.

- 24) Differentiate between Books of Original Entry and Ledger.
 25) How is it possible for a professional accountant to make a comparison of accounting statements prepared by various business units at international level ?
 26) Differentiate between Trial Balance and Balance Sheet.
 27) Explain single entry system of accounting.
 28) Discuss sub divisions of journal.
 29) Journalize the following transactions.

Date	Particulars	Amount
2016		
March 1	Amin started business with	10,000
March 2	Purchased furniture for cash	2,000
March 3	Purchased goods for cash	4,500
March 4	Purchased goods from John on credit	4,200
March 5	Sold goods for cash	5,000



March 6	Sold goods to Jose on credit	6,000
March 9	Paid for stationery	200
March 11	Paid for advertisement	300
March 15	Sold goods	2,400
March 21	Purchased goods	1,100
March 28	Paid to John	3,000
March 29	Received from Jose	4,500
March 30	Paid rent	300
March 30	Paid salary	400
March 31	Received commission	200
March 31	Withdrew for domestic use	300

30) Discuss cash book.

31) Explain the trading account.

(6×4=24 Marks)

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

32) The following balances existed in the books of Gayathri Traders on 1st April 2009.

Cash Rs. 16,000, Bank (Dr.) Rs. 15,000, Muthu (Debtor) Rs. 8,000, Furniture Rs. 10,000, Stock Rs. 24,000, Rajan (Creditor) Rs. 9,000.

The following transaction took place during the month of April

April

5 Received from Muthu Rs. 3,000

8 Sold goods for cash Rs. 5,000

12 Paid to Rajan Rs. 4,000

15 Purchased goods for cash Rs. 6,000

17 Sold good to Jeevan Rs. 5,000

19 Jeevan returned goods worth Rs. 500

20 Received goods from Menon Rs. 10,000

Paid carriage on the goods purchased Rs. 500

22 Bought furniture from Rao for Rs. 12,000

23 Returned goods worth Rs. 800 to Menon

25 Withdrew cash Rs. 4,000 and goods worth Rs. 200 for private purpose

26 Received cash from Jeevan Rs. 4,250 in full settlement of his account

29 Issued cheque for Rs. 9,000 to Menon in full settlement

30 Paid salaries Rs. 3,000

Pass journal entries and prepare a Cash Account, Purchases A/c and Sales A/c.

33) Discuss the various items in the Balance Sheet.

34) Explain in detail the accounting concepts and conventions.



35) From the following Trial Balance, Prepare Trading and Profit and Loss Account for the year ended 31st March 2014 and a balance sheet as on that date.

Particulars	Dr. Amount	Cr. Amount
Capital		54,000
Stock (1/4/2014)	9,500	
Machinery	18,000	
Purchases	19,500	
Sales		30,750
Purchase returns		630
Sales returns	490	
Direct wages	1,100	
General expenses	590	
Discount	385	
Drawings	700	
Salaries	1,100	
Carriage inwards	530	
Vehicles	14,000	
Furniture	2,400	
Sundry creditors		4,035
Sundry debtors	3,950	
Cash in hand	540	
Cash at bank	15,340	
Insurance	850	
Commission		410
Rent	850	
	89,825	89,825

Additional information :

- i) Closing stock is valued at Rs. 10,900.
- ii) Wages outstanding Rs. 350.
- iii) Insurance prepaid Rs. 50.
- iv) Depreciate machinery by 10%.

(2×15=30 Marks)