



(Pages : 4)

F – 2075

Reg. No. : .....

Name : .....

**First Semester B.B.A. Degree Examination, November 2018  
(Career Related First Degree Programme Under CBCSS)  
Group 2(b)  
Core Course BM 1143 : FINANCIAL ACCOUNTING  
(2014, 15 & 16 Admn.)**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

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

1. What do you mean by accrued income ?
2. What is compensating error ?
3. What do you mean by preference share ?
4. What do you mean by contra entries ?
5. Define fictitious assets.
6. What is error of principle ?
7. What do you mean by wasting assets ?
8. What is a debenture ?
9. What is current assets ?
10. What is balance sheet ?

**(10×1=10 Marks)**

**SECTION – B**

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

11. What do you mean by sectional balancing system ?
12. What is capital redemption reserve account ?

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13. What do you mean by forfeiture of shares ?
14. What do you mean by separate entity concept ?
15. Distinguish between capital receipt and revenue receipt.
16. Give the journal entry of reissue of forfeited share at a discount.
17. What is a matching concept ?
18. Give adjustment entries for 1) interest on capital, 2) prepaid expense.
19. What do you mean by accounting conventions ?
20. What is GAAP ?
21. What do you mean by control accounts ?
22. What are the advantages of self balancing system ?

**(8×2=16 Marks)**

### SECTION – C

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

23. What are the functions of accounting ?
24. What are the conditions to be fulfilled for redemption of preference share ?
25. What are the different types of shares ?
26. Briefly explain the procedure of issuing accounting standards.
27. State the difference between journal and ledger.
28. From the following information, prepare a trading account of m/s. ABC traders for the year ended 31<sup>st</sup> March, 2018.

Opening inventory	1,00,000
Purchases	6,72,000
Carriage inwards	30,000
Wages	50,000
Sales	11,00,000
Returns inward	1,00,000
Returns outward	72,000
Closing inventory	2,00,000

29. Luxury Cars Ltd. issued 1,00,000 shares of Rs. 10 each at a premium of Rs. 5 per share, payable as :

On application	Rs. 4 (including Rs. 2 premium) per share
On allotment	Rs. 8 (including Rs. 3 premium) per share
On call	Rs. 3 per share

Applications were received for 100000 shares and allotment was made to all. Make journal entries.

30. Briefly explain various sources of finance of redemption of debentures.

31. What are the difference between shares and debentures ? (6×4=24 Marks)

### SECTION – D

Answer any 2 questions. Each question carries 15 marks.

32. Give a brief account of accounting standards in India.

33. The following information is extracted from the books of Shri Hari for the year ended 31<sup>st</sup> March, 2018.

Sales	3,80,800
Purchases	3,26,000
Return outwards	14,000
Cash received from debtors	1,78,200
Bills payable accepted	1,22,000
Returns inward	17,600
Cash paid to creditors	1,86,000
Bills receivable received	1,36,000
Discount received	4,000
Bad debt written off	24,000
Reserve for discount to debtors	2,000
Discount allowed	1,800
Transfers from purchases ledger	26,600

The total of the sales ledger balance on 1<sup>st</sup> April, 2017 was Rs. 90,600 and that of the purchases ledger balance on the same date was Rs. 78,600.

Prepare sales ledger and purchases ledger adjustment accounts from the above information.



34. From the following balances, prepare Final Accounts as on 31<sup>st</sup> December, 2018.

	Rs.		Rs.
Opening Stock	1,53,100	Capital	25,00,000
Purchase	8,24,000	Drawings	4,80,000
Sales	25,60,000	Sundry Debtors	5,70,000
Returns (Dr.)	40,000	Sundry Creditors	1,40,000
Returns (Cr.)	24,000	Depreciation	42,000
Factory Rent	1,80,000	Charity	5,000
Custom Duty	1,15,000	Cash Balance	44,600
Coal, Gas and Power	60,000	Bank Balance	40,000
Wages and Salary	3,66,000	Bank Charges	1,800
Discount (Dr.)	75,000	Establishment Expenses	36,000
Commission (Cr.)	12,000	Plant	4,20,000
Bad-Debts	58,500	Leasehold Building	15,00,000
Bad-Debts Recovered	20,000	Goodwill	2,00,000
Apprentice Premium	48,000	Patents	1,00,000
Productive Expenses	26,000	Trade Marks	50,000
Unproductive Expenses	50,000	Loan Cr.	2,50,000
Carriage	87,000	Interest on Loan	30,000

The value of Closing Stock on 31<sup>st</sup> December, 2010 was Rs. 2,54,000.

35. Give the format of balance sheet of companies as per companies' Act 2013 ?  
(2×15=30 Marks)

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