



Reg. No. :

Name :

First Semester B.B.A. Degree Examination, March 2018
Career Related FDP Under CBCSS
BM 1143 : FINANCIAL ACCOUNTING
(2013 Admn.)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. What do you mean by the term Journal ?
2. Define Trial Balance.
3. What do you mean by Trading Account ?
4. Define Partnership.
5. Mention two causes of retirement of a partner.
6. What is gaining ratio ?
7. What is forfeiture of share ?
8. What are the different kinds of share capital ?
9. List out the important methods by which partners' capital accounts can be prepared.
10. Define the term accounting. (10×1=10 Marks)

SECTION – B

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

11. Explain the process of Financial Accounting.
12. Explain the rule of Debit and Credit.



13. Classify the following accounts.

- a) Drawing A/c.
- b) Carriage Inward Paid.
- c) Subscription Paid.
- d) Bad Debts written off.
- e) Bank Overdraft.
- f) Building Purchased.
- g) Cash Received.
- h) Interest Paid.

14. What are the different branches of Accounting ?

15. Explain GAAP.

16. 'X' forfeited 1000 equity shares of Rs. 10 each issued at par due to non-payment of first and final call of Rs. 4 per share. Pass journal entries on forfeiture of shares in books of the company.

17. Explain the term Financial Accounting.

18. What is meant by Over subscription ?

19. Panickar and Marakkar are partners in the ratio of 5 : 4. They admit Menon into the partnership for $\frac{5}{18}$ share, which he acquired $\frac{3}{18}$ from Panicker and $\frac{2}{18}$ from Marakkar. Calculate the new profit sharing ratio of Panicker, Marakkar and Menon.

20. What are the objectives of Accounting Standards ?

21. The Directors of Quilon Ltd. Forfeited 500 shares of Rs. 10 each originally issued at par due to non-payment of final call Rs. 3 per share. These shares are then reissued as fully paid at Rs. 8 per share. Record necessary journal entries for forfeiture and reissue of shares.

22. Explain Unreserved Capital.

(8×2=16 Marks)



SECTION – C

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

23. Briefly explain the limitations of accounting.

24. What are the different accounting concepts ?

25. Journalise the following transactions in the book of 'G'.

- 2012 Jan. 1 'G' commenced business with cash Rs. 5,000
- Jan. 4 Bought goods for cash Rs. 2,000
- Jan. 5 Bought office furniture for cash Rs. 500
- Jan. 8 Sold goods for cash Rs. 600
- Jan. 10 Sold goods to Murthy on credit Rs. 400
- Jan. 15 Bought goods from Narayan on credit Rs. 500
- Jan 20 Paid rent to landlord Rs. 300
- Jan. 25 Paid Salary to Manager Rs. 100
- Jan. 29 Sold furniture for cash Rs. 200
- Jan. 31 Received commission from Suresh Rs. 20

26. From the following balances extracted from the books of Gopal as on 31st Dec. 2011 prepare a Trial Balance.

	Rs.
a) Gopal's Capital	7,000
b) Purchases	8,000
c) Rent Paid	240
d) Gopal's drawings	120
e) Bills receivables	400
f) Opening stock	1,000
g) Purchases returns	280
h) Sales returns	160
i) Plant and Machinery	4,000



j) Sales	9,600
k) Sundry Debtors	5,600
l) Furniture	500
m) Salaries	720
n) Sundry Creditors	5,600
o) Carriage	100
p) Insurance	40
q) Cash in hand	1,950
r) Commission Paid	40
s) Bills payable	1,580
t) Discount Received	30
u) Discount Allowed	40

27. What is the difference between accrued revenue and unearned revenue ?

28. Deepak Ltd. issued 14000 equity shares of Rs. 10 each at par, payable Rs. 4 on application, Rs. 3 on allotment and Rs. 3 on first call. Pradeep holder of 500 shares failed to pay the allotment and first call money. Therefore directors forfeited these shares.

Pass Journal entries in the book of the Company to record these share capital transactions.

29. Jishu, Jilu and Nisha are partners in the ratio of 2 : 3 : 5. Jishu retires and her share is taken up by Jilu and Nisha equally. Calculate new ratio and gaining ratio.

30. From the following Trial Balance, prepare manufacturing account as on 31st Dec. 2009.

Trial Balance as on 31 Dec. 2009

Name of the Account	Debit (Rs.)	Credit (Rs.)
Opening Stock :		
Raw materials	2,000	
Work in progress	5,000	



Finished Goods	10,000	
Manufacturing Wages	10,000	
Purchase of Raw materials	30,000	
Factory Rent	5,000	
Carriage on raw materials	3,000	
Salary of work manager	2,000	
Office rent	2,000	
Bad debts	1,000	
Debtors	5,000	
Depreciation on Plant	2,000	
Sales		60,000
Printing and Stationery	1,000	
Land and Building	30,000	
Plant and Machinery	20,000	
Cash in hand	5,000	
Creditors		30,000
Capital		43,000
Total	1,33,000	1,33,000

Closing stock :

	Rs.
Raw materials	5,000
Work in progress	4,000
Finished goods	10,000

31. Man Ltd. issued 25000 equity shares of Rs. 10 each at Rs. 15 per share of which Rs. 7 (including premium Rs. 5) was payable along with application Rs. 5 on allotment and the balance on call. The company does not make call. All the amounts due were received on time except that of the allotment money on 1000 shares allotted to Mr. Karunakaran. His shares were forfeited. Give Journal entries in the books of the company to record the above mentioned transactions.

(6x4=24 Marks)



SECTION – D

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

32. Explain the institutions that influence the Indian GAAP.

33. Journalise the following transactions. Post them into ledger and prepare a Trial Balance.

	Extreme	Amount
1 April 2003	Ram Commenced business with cash	10,000
2 April	Paid into Bank	8,000
3 April	Bought Goods for cash	500
4 April	Bought Furniture for office	400
10 April	Withdrawn from Bank	1,000
13 April	Sold to Gopal	600
15 April	Bought goods from Shankar	410
18 April	Paid trade expenses	100
19 April	Received cash from Gopal	590
19 April	Allowed him cash discount	10
25 April	Paid wages	50
28 April	Paid Shankar in full settlement	400
30 April	Paid rent	100
30 April	Interest on capital	500

34. Akhil and Nikhil are partners sharing profits and losses in the ratio of 2 : 1. Their Balance Sheet as on 31 March 2002 was as follows :

Balance Sheet as on 31 March 2002

Liabilities	Amount	Assets	Amount
Sundry Creditors	15,000	Cash in hand	12,000
Workmen's Compensation		Debtors	12,000



Fund		1,000	Less provision for		
Capitals :			Doubtful debts	<u>500</u>	11,500
Akhil	50,000		Buildings		50,000
Nikhil	<u>14,500</u>	64,500	Investments		4,000
			Patents		3,000
		80,500			80,500

Kamal is admitted into the firm with 1/4th share in profits on the following terms :

- a) Market values of investments are to be taken at Rs. 4,500.
- b) Claim on account of Workmen's compensation is estimated at Rs. 250.
- c) Accrued income not appearing in the books Rs. 100.
- d) Buildings were found undervalued by Rs. 5,000.
- e) Patents should be written off.
- f) Kamal bring Rs. 20,000 as capital and Rs. 3,000 as his share of goodwill.
- g) Capitals of Akhil and Nikhil were to be adjusted in the new profit sharing ratio by bringing in or withdrawing the necessary amount of cash.
- h) Provision for bad and doubtful debts be increased to 10% of debtors.

Pass necessary journal entries and prepare necessary ledger accounts and Balance Sheet of the new firm.

35. XYZ Ltd. was incorporated with an authorised capital of Rs. 1,00,000 divided into 1000 equity shares of Rs. 10 each. The company offered 9000 shares for public subscription and the public subscribed only 8000 shares. The directors called for Rs. 7 per share and received the entire amount except a call of Rs. 2 per share on 500 shares. Calculate different kinds of share capital also show how it will show in the Balance Sheet of the company. **(2×15=30 Marks)**
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