

BBA



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D – 5204

Reg. No. :

Name :

First Semester B.B.A. Degree Examination, February 2018
Career Related First Degree Programme under CBCSS
Group 2(b)
Core Course
BM 1143 : FINANCIAL ACCOUNTING
(2014-2016 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 Full Disclosure principle ?
2. Give a brief account of Accounting Standards in India.
3. What do you understand by gross profit ?
4. What do you mean by drawings ?
5. What is cash discount ?
6. What do you understand by issue of shares at a premium ?
7. Give a short note on minimum subscription.
8. What are preliminary expenses ?
9. What are calls in arrears ?
10. What is meant by self-balancing of ledgers ?

(10×1=10 Marks)

SECTION – B

Answer **any eight** questions; **not to exceed one** paragraph. Each question carries **2** marks.

11. What are errors of principle ? Give an example.
12. Name any two objectives of preparing the Trial Balance.

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13. Write a short note on Manufacturing Account.
14. What do you mean by Accrued Income ?
15. What do you understand by Deferred Revenue Expenditure ? Give examples.
16. Define depreciation.
17. Name any two conditions under which a company can issue shares at a discount.
18. Write a short note on calls in advance.
19. Journalize the following transactions :
Mr. Sukesh, a stationery merchant, purchased stationery Rs. 1,00,000; paid cartage on stationery Rs. 1,000.
20. What are intangible assets ? Furnish an example.
21. What do you understand by contingent liabilities ?
22. Briefly explain the effect of forfeiture of shares. **(8×2=16 Marks)**

SECTION – C

Answer any six questions, not to exceed 120 words. Each question carries 4 marks.

23. What do you mean by errors of Commission ? Give an example.
24. Write short notes on :
 - a) Outstanding expenses
 - b) Prepaid expenses
 - c) Income received in advance.
25. What is a Control Account ? Name two such control accounts.
26. Explain any four Accounting Standards.
27. Rectify the following errors :
 - i) Rs. 20,000 paid in cash for a computer was charged to Office Expenses Account.
 - ii) Rs. 250 received from Lalitha has been wrongly entered as from Lalith.
 - iii) The Sales Day Book is undercast by Rs. 300.
 - iv) An amount Rs. 1,000 withdrawn for personal use is debited to Office Expenses Account.



28. Prepare the Capital Account of Mr. Divakaran from the following transactions :
Divakaran commenced business with capital Rs. 1,00,000.
He withdrew Rs. 8,000 during the year.
The net profit earned during the year was Rs. 20,000.
Interest allowed on capital @ 7% p.a.
29. On January, 2009, ABC Ltd. issued 6,000, 12% debentures of Rs. 100 each, redeemable on December 31, 2012 at a premium of 10%. Show Journal entries in the books of the company on issue and redemption of debentures.
30. At December 31, 2010, a firm's provision for Bad Debts was Rs. 2,400. During the next twelve months Bad Debts amounting to Rs. 1,370 was incurred and it was decided to carry forward a sum equal to 5% of the debtors, Rs. 40,000. In 2012 there was recovered Rs. 260 which had previously been written off and the Bad Debts written off amounted to Rs. 1,290. By December 31, 2012, the debtors had risen to Rs. 50,000, but the provision was maintained at 5% of that amount.
You are required to prepare the Provision for Bad Debts Account for the years 2011 and 2012.
31. The undermentioned particulars have been extracted from the books of Messrs. Jayanthi Enterprises who keep their creditors ledger on the self-balancing system. Prepare Creditors Ledger Adjustment Account in the General Ledger as on September 30, 2014 :

	Rs.
2014 Sept. 30 Balance of sundry creditors	18,500
Transactions during the month were :	
Credit purchases	4,500
Paid to creditors	9,875
Discount allowed by them	325
Accepted bills payable	1,500
Returns to creditors	600
Allowances by creditors	150
Bills payable dishonoured	300
	(6×4=24 Marks)



SECTION – D

Answer any two questions. Each question carries 15 marks.

32. What do you mean by accounting concepts and conventions ? Discuss the important concepts and conventions in accounting.
33. What do you mean by Standards ? Explain any eight Accounting Standards.
34. The authorised capital of a limited company is Rs. 3,00,000 divided into 30,000 equity shares of Rs. 10 each. The company issued 20,000 shares to the public, payable Rs. 2 on application, Rs. 3 on allotment, Rs. 3 on first call and Rs. 2 on final call. All the shares have been subscribed and the amounts duly received. Pass the necessary Journal Entries.
35. Following is the Trial Balance of Mr. Firoz Khan. Prepare Trading and Profit and Loss Account for the year ended 31st December, 2012 and a Balance Sheet as on that date :

Trial Balance as on 31st December, 2012

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening stock	8,000	Sales	50,000
Purchases	24,000	Return outwards	2,910
Sales returns	2,700	Capital	10,000
Wages	1,000	Creditors	12,000
Carriage	1,400		
Salaries	2,400		
Coal, gas and water	600		
Trade expenses	1,000		
Stationery	1,400		
Land and building	10,000		
Drawings	200		
Plant	8,000		
Cash in hand	4,400		
Debtors	2,000		
Investments	7,810		
	74,910		74,910

Closing stock on 31st December, 2012 was Rs. 12,000.

(2×15=30 Marks)