

Reg. No. :

Name :

First Semester B.B.A. Degree Examination, November 2019

Career Related First Degree Programme under CBCSS

Core Course

BM 1143 — FINANCIAL ACCOUNTING

(2014 – 2016 Admissions)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. What is Calls in advance?
2. What do you mean by shares?
3. Give a brief note on AS 1.
4. What is Entity concept?
5. What do you mean by self balancing system?
6. Name the errors committed in book keeping.
7. What are Debentures?

8. What do you mean by rectification entry?
9. What do you mean by Final accounts?
10. What is reissue of shares?

(10 × 1 = 10 Marks)

SECTION – B

Answer **any eight** questions, not to exceed one paragraph. Each question carries 2 mark.

11. Explain AS 4
12. What is capital expenditure?
13. What is Manufacturing account?
14. Explain conservatism.
15. What is the object of GAAP?
16. What is Pro rata allotment?
17. What do you mean by redemption of preference shares?
18. What is ESOP?
19. What are compensating errors?

20. What is suspense account?
21. What is minimum subscription?
22. What is book building?

(8 × 2 = 16 Marks)

SECTION – C

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

23. Explain the features and objectives of Balance sheet.
24. Explain the conditions and provisions for redemption of preference shares.
25. Distinguish between Self balancing and sectional balancing system.
26. Explain on Profit and loss account.
27. What is vertical balance sheet? Give a specimen of it.
28. A company has 10000, 11% redeemable preference shares of 100 each fully paid. The company decides to redeem the shares at par. For the purpose it issues 100000 equity shares at 10 fully paid up at a premium of 10%. The shares are fully subscribed. The redemption was duly carried out. Give entries.
29. The Indore Coir Mills Ltd. With a registered capital of 5,00,000 Equity Shares of ₹ 10 each, issued 2,00,000 Equity Shares, payable ₹ 3 on the application, ₹ 2 on the allotment, ₹ 3 on the first call and ₹ 2 on second and final call.

The company duly receives the amount due on allotment. One shareholder holding 6,000 Equity Shares pays second and final call along with the first call. While five shareholders with a total holding of 10,000 Equity Shares did not pay the first call on their Equity Shares. The company did not make the final call.

Pass journal entries to record the transactions.

30. From the following prepare a balance sheet of U Ltd as on 31st March 2018 in accordance with schedule VI of the Companies Act. It has an authorized capital of Rs.3,00,000 in shares of Rs. 10 each.

Paid up capital	2,00,000	Debtors	40,850
General reserve	10,000	Cash	29,200
Furniture (opening value)	3,600	Preliminary expense	2,000
Depreciation of the year	360	Creditors	44,000
Interest on debentures due	9,000	Proposed dividend	20,000
Premises	1,50,000	Stock	60,000
Plant and machinery (opening value)	1,65,000	P and L account	790
Depreciation of the year	16,500	15% debentures	1,50,000

31. Pass necessary journal entries to rectify the following errors.

- (a) Sale of an old machine for Rs. 4,500 was posted to Sales account.
- (b) Rent of proprietors residence of Rs. 12,000 was posted to Rent Account.

- (c) A credit to Brij Mohan of Rs. 6,750 was posted to his account as Rs. 4,750
- (d) Furniture purchased from M/s Decorates for Rs. 22,500 was entered in Purchases Book.

(6 × 4 = 24 Marks)

SECTION – D

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

32. Explain in detail the various techniques concepts and conventions of accounting.
33. What is preference share? Explain the different types of preference shares.
34. A firm has three ledgers in use viz., Debtors Ledger, Creditors' Ledger and General Ledger.

These are all kept on the self-balancing system, From the following transaction, prepare the debtors and creditors Adjustment Accounts(in general ledger)

Balances of Trade Debtors on 1.3.1988	28,500
Balances of Trade Creditors on 1.3.1988	47,800
Transactions during the month were :	
Credit Sales	43,800
Cash received from Trade Debtors	30,950
Discount allowed to Trade Debtors	2,600
Bills Receivable received from Debtors	5,000
Bad Debts Written off	200
Credit Purchases	68,800

Purchases Returns	2,000
Cash paid to Trade creditors	59000
Discount allowed now disallowed	100
Interest and Charges debited to Debtors	200

35. Give the format of Trading and Profit and loss account with estimated figures.
(2 × 15 = 30 Marks)
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