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Name.....

Reg. No.....

**SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2024**

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2019—2023 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer all questions.**Each question carries 2 marks.*

1. Explain the features of single entry system.
2. What do you mean by incorporated companies ?
3. What do you mean by reserve capital ?
4. Distinguish between equity shares and preference shares.
5. How will you treat calls in advance ?
6. What do you mean by under subscription ?
7. What do you mean by forfeiture of shares ?
8. Distinguish between shares and debentures.
9. What are the different methods of redemption of debentures ?
10. Explain the benefits of accounting standards.
11. What are the objectives of ASB of India ?
12. What do you mean by SIC ?
13. Distinguish between IFRS and Indian Accounting standards.
14. What is Biological Asset other than Bearer Plants.
15. What do you mean by corporate dividend tax ?

(15 × 2 = 30 marks Ceiling : 25)

Turn over

Section B*Answer all questions.**Each questions carries 5 marks.*

16. Explain different types of single entry system.
17. What do you mean by net worth method ?
18. Sri C Sharma commenced business on 1st January 2003 with a capital of Rs. 25,000 : Rs. 20,000 brought in cash and the balance in the form of machinery. On 1st October 2003 he introduced Rs. 10,000 in the business for which Rs. 6,000 were borrowed from his wife during the year. He withdraw at the rate of Rs. 500 a month. His position on 31st December 2003 was as follows :

<i>Assets</i>	Rs.	<i>Liabilities</i>	Rs.
Stock of goods	... 12,500	Sundry creditors	... 8,500
Sundry debtors	... 10,500	Loan from wife	... 6,000
Machinery	... 6,000	Bills payable	... 1,500
Cash at bank	... 3,000		
Cash in hand	... 500		
Bills receivable	... 3,800		
Furniture	... 10,000		

Ascertain his profit for the year ended 31st December 2003.

19. Eastern Company Limited issued 40,000 shares of Rs. 10 each to the public for the subscription out of its share capital, payable as Rs. 4 on application, Rs. 3 on allotment and the balance on 1st and final call. Applications were received for 40,000 shares. The company made the allotment to the applicants in full. All the amounts due on allotment and first and final call were duly received. Give the journal entries.
20. X Limited Issued 10,000, 12 % debentures of Rs. 100 each payable Rs. 40 on application and Rs. 60 on allotment. The public applied for 14,000 debentures. Applications for 9,000 debentures were accepted in full ; applications for 2,000 debentures were allotted 1,000 debentures and the remaining applications, were rejected. All money was duly received. Journalize the transactions.

21. Show the following items in the balance sheet of Sunstar Ltd. as at March 31, 2023 :
- General Reserve (since March 31st, 2017)—Rs. 7,50,000.
 - Statement of Profit and Loss (debit balance) for 2022-23—Rs. 4,50,000.
22. A Limited took over the assets of Rs. 3,00,000 and liabilities of Rs. 10,000 from B and Co. Ltd., for an agreed purchase consideration of Rs. 2,70,000 to be satisfied by issue of 15 % debentures of Rs. 100 at 20 % premium. Show the journal entries in the journal of A Limited.
23. Give name of four intangible assets.

(8 × 5 = 40 marks Ceiling : 35)

Section C

*Answer any two questions.
Each question carries 10 marks.*

24. What do you mean by Ind AS. Explain standard setting process in India.
25. From the following ledger balances of Vanin Ltd., Prepare balancesheet of the company as on 31st March, 2019.

<i>Particulars</i>	<i>Amount (Rs.)</i>
Plant and Machinery	... 6,00,000
Immovable Property	... 10,00,000
Trade Marks	... 1,80,000
Drafts on Hand	... 5,00,000
Cash at Bank	... 34,000
Bills Receivable	... 2,40,000
Prepaid Insurance	... 1,00,000
8 % Debenture	... 8,00,000
Public Deposit	... 5,00,000
Employees' Provident Fund	... 1,30,000
Provision for Taxation	... 1,80,000
Securities Premium	... 80,000
Sundry Creditors	... 1,16,000
Bank Overdraft	... 1,50,000
Loan to Manager	... 70,000
Security Deposit	... 1,24,000
Deposits with ICICI Bank (5 years)	... 1,98,000
Brokerage on Issue of Shares	... 1,10,000

26. Give Journal entries for the following :

- (a) Issue of Rs. 1,00,000, 9 % debentures of Rs. 100 each at par.
- (b) Issue of Rs. 1,00,000, 9 % debentures of Rs. 100 each at par and redeemable at par.
- (c) Issue of Rs. 1,00,000, 9% debentures of Rs. 100 each at premium of 5 % but redeemable at par.
- (d) Issue of Rs. 1,00,000, 9% debentures of Rs. 100 each at discount of 5 % repayable at par.
- (e) Issue of Rs 1,00,000, 9 % debentures of Rs. 100 each at par but repayable at a premium of 5 %.
- (f) Issue of Rs 1,00,000, 9 % debentures of Rs. 100 each at discount of 5 % and redeemable at premium of 5 %.
- (g) Issue of Rs. 1,00,000, 9 % debentures of Rs. 100 each at premium of 5 % and redeemable at premium of 5 %.

27. A keeps his books by single entry system. His position on 1st January 2021 was as follows :

	Rs.		Rs.
Cash at bank	... 5000	Machinery and plant	... 6,500
Cash in hand	... 1,000	Bills receivable	... 2,600
Stock	... 7,000	Creditors	... 2,500
Sundry debtors	... 8,400	Bills payable	... 4000

On 31st December 2021 his position was as under

Cash at bank	... 4,300	Machinery and plant	... 6,500
Cash in hand	... 1,700	Bills receivable	... 3,200
Stock	... 9,000	Creditors	... 160
Sundry debtors	... 6000	Bills payable	... 3,200

During the year introduced further capital of Rs2000, and his drawings were Rs. 800 per month.

Depreciate machinery and plant by 5 % and create a reserve for bad and doubtful debts at 5 %..

From the above information prepare a statement showing the profit and loss made by him for the year ended 31st December 2021.

(2 × 10 = 20 marks)