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(Pages : 4)

Name.....

Reg. No.....

SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION, APRIL 2021

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

Answer at least ten questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 30.

1. What is Double Entry System ?
2. What do you mean by money measurement concept ?
3. What is posting ?
4. Show the accounting equation on the basis of following transaction :
 - i) Rajesh started business with cash Rs. 2,00,000.
 - ii) Purchased goods on credit Rs. 20,000.
 - iii) Paid rent Rs. 4,000.
5. What is deferred revenue expenditure ?
6. What are the sources for issue of bonus shares ?
7. What do you mean by hire purchase ?
8. What is bearer debenture ?
9. Give two advantages of installment system.
10. How do you treat 'Loss on stock by fire' in final accounts if the goods are not insured ?
11. Describe the term 'inter branch transaction'.
12. How will you deal the balance of forfeited shares account after the reissue of forfeited shares ?
13. What is wholesale branch system ?
14. A cycle, the cash price of which is Rs. 3,600 is sold on hire purchase system for Rs. 4,000 payable in four quarterly installment of Rs.1,000 each. The first payment is made at the end of first quarter. Show how the interest is calculated.
15. What do you mean by wasting assets ? Give an example.

(10 × 3 = 30 marks)

Turn over

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Section B

Answer at least **five** questions.
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.

16. Define Accounting. What are the functions of accounting ?
17. Enter the following transactions in two column cash book of M/s. Binary electronics :

2019		
Sept.0	Cash in hand	Rs. 4,000
1	Cash at Bank	Rs. 10,000
5	Goods sold for cash	Rs. 2,500
10	Received a check from Thilak, on account of sales done	Rs. 2,000
11	The above check sent for collection	
15	Cash paid to Sunder	Rs. 5,000
20	Cash paid into Bank	Rs. 2,000
21	Draw a cheque for personal use	Rs. 1,000
23	Paid salary by cheque	Rs. 1,000
30	Cash withdrawn for office use	Rs. 1,200

18. On July 1, 2017, Hindustan Printers purchases a printing machine on hire purchase basis, payments to be made Rs. 10,000 on the said date and the balance in three half yearly installments of Rs. 8,200, Rs. 7,440 and Rs. 6,300 commencing from December 2017. The vendor charges interest at 10% per annum calculated on half year balances. Hindustan Printers close their books annually on 31st December. It provides depreciation at 10% per annum on diminishing balance. Show the hire vendors account.
19. Binary Ltd, had its issued capital comprising 20,000 equity shares of Rs. 10 each payable as Rs.2 on application, Rs. 3 on allotment (including premium) Rs. 3 on first call and Rs.3 on final call. The shares were called upto first call. All the money was received except from A and B. A holding 300 shares failed to pay allotment and first call money. B holding 100 shares failed to pay the first call money. All these shares were forfeited and reissued to C on payment of Rs. 6 per share, paid upto first call. Pass Journal entries for forfeiture and reissue of shares.
20. Distinguish between Hire purchase and Installment system.
21. On 1st January 2019, Raj and Amit started a partnership firm with a capital of Rs. 1,00,000 and Rs. 1,60,000 respectively. Raj introduced additional capital of Rs. 30,000 on July 1, 2019 and another Rs. 20,000 on October 31, 2019. Calculate interest on capital for the year ending 2019. The rate of interest is 6% p.a.

22. A Head Office invoices goods to its branches at 20% less than the list price which is cost plus 100%. Goods are sold to customers at list price. Form the following particulars ascertain the profit made by the head office and branch :

	Head Office	Branch
Stock in the beginning (at invoice price for branch)	30,000	1,600
Purchases during the year	2,56,000	--
Goods sent to branch	40,000	--
Sales	1,80,000	36,000
Expenses	32,000	5,000

23. The net profit of a firm, after taking into consideration all expenses except the manager's commission, is Rs. 60,000. The manager is entitled to a commission of 5% on profits. Calculate manager's commission if :
- The manager is entitled to a commission of 5% on profits before charging the commission.
 - The manager is entitled to a commission of 5% on profits after charging such commission.
- (5 × 6 = 30 marks)

Section C

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

24. Given below is the Trial Balance of M/s Mayis, a Sole trader. Prepare Trading and Profit and Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date, after taking into consideration the additional information :

Trial Balance as on 31st March, 2020

Particulars	Amt. Rs.	Particulars	Amt. Rs.
Stock on 1st April, 2011	52,000	Provident fund	50,000
Sundry Debtors	84,000	Interest on P.F. Investment	2,800
Bad debts	3,000	Sundry Creditors	84,000
Premises	78,000	Rent Received	9,600
Salaries	28,000	Reserve for Doubtful Debts	2,000
Motor Vehicle	50,000	Discount received	3,600
Purchases	1,76,000	Sales	3,20,000
Provident Fund Investment	50,000	Capital A/c	1,00,000
Provident Fund contribution	5,500		
Wages	22,000		
Rent (for 10 months)	16,000		
Office Expenses	5,000		
Discount allowed	2,500		
	5,72,000		5,72,000

Turn over

Adjustments :

- 1) Stock on 31st March, 2020 was valued at Rs. 80,000.
 - 2) Goods worth Rs. 6,000 were sold and despatched on 27th March, 2020, but no entry was made in the books of accounts.
 - 3) Provide reserve for discount on debtors at 2% and on creditors at 3%.
 - 4) Write off Bad debts of Rs. 4,000 and provide for reserve for doubtful debts at 5% on sundry debtors.
 - 5) Outstanding wages Rs. 4,000 and outstanding salaries Rs. 3,066.
 - 6) Depreciate Motor Vehicle at 5% p.a.
25. A Ltd. purchased a machinery on hire purchase system over a term of two years starting on 1st January 2017. The installments of Rs. 4,000 each, are payable half yearly. The present cash value of the machinery is Rs. 14,870 and the interest is charged at the rate of 6% p.a. The interest is calculated once in six months. Draft journal entries to record the transactions that take place in the books of A Ltd.
26. M/s Sangam Traders of Calicut have a branch at Kotayam. The following are the transactions for the year ended 31st March, 2019 :

	Rs.
Opening Balance (1-4-2018) -	
Stock	50,000
Debtors	40,000
Petty Cash	2,000
Goods sent to Branch	1,50,000
Cash sent to Branch for -	
Salary	5,000
Rent	6,000
Petty Cash	5,000
Cash received from the Branch from -	
Cash Sales	1,50,000
Cash received from debtors	1,20,000
Closing Balances (31-3-2019)-	
Stock	25,000
Debtors	20,000
Petty Cash	1,000

Ascertain the Profit or Loss of Kotayam Branch under stock and debtors system assuming that goods sent at cost price.

(2 × 10 = 20 marks)