



K15U 0264

Reg. No. :

Name :

III Semester B.B.A./B.B.A.(RTM) Degree (CCSS – 2014 Admn. – Regular)
Examination, November 2015
BBA/BBA (RTM) : CORE COURSE
3B04 BBA/BBA(RTM) : Financial Accounting

Time : 3 Hours

Max. Marks : 40

SECTION – A

Answer the **4** questions. **Each** question carries $\frac{1}{2}$ marks.

1. What is Accounting ?
2. What is outstanding expenses ?
3. What is Realisation Account ?
4. What is reserve capital ?

(4 × $\frac{1}{2}$ = 2)

SECTION – B

Answer **any four** questions. **Each** question carries **1** mark.

5. Write 4 objectives of Accounting.
6. List out the advantages of journal.
7. What do you mean by Debit and Credit note ?
8. What is Minimum Subscription ?
9. What is imprest system of Petty Cash Book ?
10. What do you mean by calls in advance and calls in arrear ?

(4 × 1 = 4)

P.T.O.



SECTION – C

Answer **any six** questions. **Each** question carries **3** marks.

11. What are accounting standards ? What are its advantages ?
12. What are the differences between Profit and Loss A/c and Balance Sheet ?
13. What is double entry system ? What are its advantages ?
14. What are the different types of subsidiary books ?
15. Pass necessary adjusting entries in the journal on 31st March 2014 :
 - a) Rs. 30,000 for wages and Rs. 10,000 for printing were outstanding.
 - b) Write off depreciation on machinery Rs. 80,000 and on building Rs. 30,000.
 - c) Rs. 25,000 were received in advance for commission.
 - d) Rs. 1,000 is interest accrued on investment.
 - e) Rs. 11,000 were bad debts during the year.
 - f) The stock on 31st March 2014 was Rs. 4,00,000.
16. A and B are partners sharing profits in the ratio of 3 : 2. They admit C into partnership. The new profit sharing ratio of three partners is agreed at 5 : 3 : 2. Calculate the sacrificing ratio.
17. Aravind and Co. Ltd. issued for public subscription 40,000 equity shares of Rs. 10 each payable Rs. 2 on application. Rs. 4 on allotment and the balance on first and final call. Application for 50,000 shares were received. Application money received on excess application was returned. The call was made and all the amounts due was received in full. Pass the necessary journal entries.
18. A Ltd. forfeited 150 equity shares of Rs. 10 each, issued at a premium of Rs. 5 per share, held by Mr. X, for non-payment of allotment money of Rs. 8 per share (including premium of Rs. 5 per share), the first call of Rs. 2 per share and the final call of Rs. 3 per share. Out of these, 100 equity shares were reissued to Mr. Y at Rs. 14 per share. Give journal entries to record the forfeiture and reissue of shares. **(6×3=18)**



SECTION – D

Answer **any two** questions. **Each** question carries **8** marks.

19. From the following Trial Balance of Mr. X prepare Trading, Profit and Loss Account for the year ended 31st March 2014 and a Balance Sheet as on that date :

Debit Balance	Rs.	Credit Balance	Rs.
Cash in hand	540	Sales	98,780
Cash at bank	2,630	Return outwards	500
Purchases	40,675	Capital	62,000
Return inward	680	Sundry creditors	6,300
Wages	8,480	Rent	9,000
Fuel and power	4,730		
Carriage on sale	3,200		
Carriage on purchase	2,040		
Stock (1-4-2013)	5,760		
Buildings	22,000		
Freehold land	10,000		
Machinery	20,000		
Investments	10,000		
Patents	7,500		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry debtors	14,500		
	1,76,580		1,76,580

Adjustments :

- Stock on hand on 31-3-2014 is Rs. 6,800.
- Machinery is to be depreciated at the rate of 10% and patents @ 20%.
- Salaries for the month of March, 2014 amounting to Rs. 1,500 were unpaid.
- Insurance includes a premium of Rs. 170 on a policy expiring on 30th Sept. 2014.
- Bad debts are Rs. 725.
- Rent received in advance Rs. 1,000.
- Interest on investment of Rs. 2,000 in accrued.



20. A, B and C were partners sharing profits and losses in the ratio of 3 : 2 : 1. Their Balance Sheet on 30th June 2014 was as follows :

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	7,000	Cash at bank	3,000
Bills payable	2,000	Investments	6,000
General reserve	7,500	Sundry debtors	5,000
<u>Capitals :</u>		Stock	2,500
A	30,000	Furniture	6,000
B	20,000	Motor van	30,000
C	10,000	Buildings	24,000
	76,500		76,500

C retired on the above date and the partners agreed that :

- 1) The goodwill of the firm should be valued at 2 years' purchase of the average profits of the preceding three years. The profits for the three years ending 30th June 2012, 2013 and 2014 were Rs. 15,000, Rs. 16,000 and Rs. 23,000 respectively.
- 2) Rs. 800 should be provided for doubtful debts.
- 3) Stock be reduced by Rs. 400.
- 4) The value of buildings be increased by 5%.
- 5) The furniture should be depreciated by 10%.

Prepare the Ledger Accounts and also the Balance Sheet of the remaining partners immediately after retirement of C, assuming that A and B decided to write off the goodwill raised.

21. Explain briefly about various accounting concepts and conventions. (2×8=16)