

SECOND SEMESTER B.Com DEGREE EXAMINATION, APRIL 2023

(Supplementary - 2017 Admission)

FINANCE & COMPUTER APPLICATION

CBCM2B02T: FINANCIAL ACCOUNTING

Time: 3 Hours

Maximum Marks: 80

PART A: Answer all the questions. Each carries one mark.**Choose the correct answer.**

1. is a principle that guides and standardises accounting practices
a) ICAI b) Accounting standards c) Financial statements d) Estimate
2. Employee benefits to employees in financial statements are recognized as per
a) Ind AS2 b) Ind AS12 c) Ind AS16 d) Ind AS 19
3. Subscription received in advance during the current year is
a) An asset b) A liability c) An income d) An expense
4. When shares are forfeited, the share capital account is debited with
a) Nominal value of shares b) Market value of shares
c) Called-up value of shares d) Paid-up value of shares
5. Which report gives a review on the profitability of a business?
a) SOFP b) SOPL c) SOCE d) SOCF

Fill in the Blanks.

6. IASB was established in
7. An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its
8. A system of accounting that is not based on system is called single entry system.
9. When a shareholder fails to pay the amount due on allotment or any subsequent calls, then it is termed as
10. are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity

(10 x 1 = 10 Marks)**PART B: Answer any eight questions. Each carries 2 marks.**

11. What is IFRS?
12. State the principle of disclosure.
13. What is meant by borrowing cost?
14. Comment on deferred tax liability.

(PTO)

15. What is gross profit?
16. Write an account on statement of affairs.
17. What is authorised capital?
18. Comment on convertible debenture.
19. What is meant by accounting policy?
20. What are 'cash equivalents'?

(8 x 2 = 16 Marks)

PART C: Answer any six questions. Each carries 4 marks.

21. Distinguish between Ind AS and IFRS.
22. Explain amortisation of intangible assets.
23. What are the limitations of single entry system?
24. Explain different types of shares a limited company can issue.
25. Give the accounting entry for impairment loss

Fair value of asset	₹ 26,00,000
Cost of disposal	₹ 1,00,000
Present value of future cash flows	₹ 24,00,000
Carrying amount at the beginning	₹ 30,00,000
Accumulated depreciation	₹ 3,00,000

26. Compute the cost of purchase and conversion cost

Cost of raw material	₹ 4,50,000
Rebate on purchase of raw material	₹ 12,000
Wages to workers	₹ 65,000
Depreciation – Factory machinery	₹ 12,000
Factory electricity charges	₹ 6,000
Factory supervisor's salary	₹ 20,000

27. Ascertain the profit of the business for the year 2022 from the following particulars.

Capital as on 1-1-2022	₹ 2,20,000
Additional capital brought in during the year	₹ 40,000
Drawings for personal purpose	₹ 24,000
Capital as on 31-12-2022	₹ 2,90,000

28. Prepare cash flow statement

Opening balance of cash and cash equivalents	₹ 2,00,000
Cash flows from operating activities	₹ 9,00,000
Cash flows from investing activities	₹ 3,00,000
Cash flow from financing activities	₹ 6,00,000

(6 x 4 = 24 Marks)

PART D: Answer any two questions. Each carries 15 marks.

29. State the provisions regarding recognition and measurement of events after reporting period.
30. From the following Receipts and Payments account of charitable organisation and further information supplied, prepare Income and Expenditure Account for the year ending 31-12-2022 and a Balance sheet on that date.

Receipts and Payments account

Particulars	₹	Particulars	₹
Balance as on 1-1-2022	10,000	Expenses	
Subscriptions:		2021	1,200
2021	200	2022	2,000
2022	2,100	Cost of leasehold land	14,000
2023	150	Interest paid	1,400
Entrance fee	1,800	Refreshment	2,000
Locker rent	700	Balance as on 31-12-2022	8,350
Income from refreshment	14,000		
	28,950		28,950

Balance sheet as at 31st December 2021

Particulars	₹	Particulars	₹
Fund	22,000	Buildings	20,000
Subscription received in advance	600	Outstanding debtors:	
Outstanding expenses	1,400	For subscriptions	380
Loan	4,000	For locker rent	240
Income and Expenditure A/c	2,620	Cash in hand	10,000
	30,620		30,620

Adjustments:

- a) Expenses due but not paid ₹ 500
 - b) Subscriptions due but not received ₹ 800
 - c) Salary due but not paid ₹ 200
 - d) Depreciation on building ₹ 2,000
 - e) Entrance fee to be capitalised.
31. N Ltd. issued 20,000 shares of ₹ 100 each payable as ₹ 25 on application, ₹ 30 on allotment, ₹ 25 on first call and balance on final call. All moneys were duly received except from A holding 200 shares, did not pay allotment and calls money and from B holding 100 shares did not pay both the calls. The directors' forfeited shares of A and B. Give journal entries.

(2 x 15 = 30 Marks)