

SECOND SEMESTER B.Com DEGREE EXAMINATION, APRIL 2023

(Regular/Improvement/Supplementary)

Professional

GBCP2B04T: FINANCIAL ACCOUNTING

Time: 3 Hours

Maximum Marks: 80

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

1. is the residual interest in the assets of the company after deduction of its liabilities.
 - a. Equity
 - b. Net worth
 - c. Revenue
 - d. Income
2. Accounting standard for Investment Property is given in
 - a. Ind AS 12
 - b. Ind AS 16
 - c. Ind AS 36
 - d. Ind AS 40
3. Income and expenditure account records transactions in the nature of
 - a. Revenue
 - b. Capital
 - c. Deferred revenue
 - d. All of these
4. Right shares are issued to
 - a. Promoters
 - b. Directors
 - c. Shareholders
 - d. Debenture holders
5. Proceeds from sale of patents is
 - a. Operating activity
 - b. Investing activity
 - c. Financing activity
 - d. Controlling activity

Fill in the Blanks.

6. IASB was established in
7. A is a liability of uncertain timing or amount.
8. is an amount of money that a creditor must write off as a result of a default on the part of the debtor.
9. Calls in advance appears in
10. deals with events after reporting date.

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

11. What is IFRS?
12. Define the term 'asset'.
13. What are the indications of possible impairment?
14. What is qualifying asset as per Ind AS23?
15. State the diminishing balance method of providing depreciation.
16. What is meant by statement of affairs?
17. Comment on authorised capital.
18. What are redeemable debentures?
19. Give an account on accounting policies.
20. What is meant by cash flows from financing activities?

(8 × 2 = 16 Marks)**(PTO)**

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

21. What are the benefits of accounting standards?
22. How do you measure and recognise 'employee benefits'?
23. Distinguish between trial balance and balance sheet.
24. What constitute the final accounts of a joint stock company?
25. Find out the amount of stationery consumed during the year 2022.

	₹
Amount paid for stationery during 2022	6,500
Stock of stationery on 01.01.2022	850
Stock of stationery on 31.12.2022	640
Advance paid for stationery as on 31.12.2022	500
Advance paid for stationery as on 01.01.2022	270
Creditors for stationery purchased as on 31.12.2022	240
Creditors for stationery purchased as on 01.01.2022	360

26. Give the accounting entry for impairment loss.

	₹
Fair value of the asset	35,00,000
Cost of disposal	1,00,000
Present value of future cash flows	34,50,000
Carrying amount the beginning	39,50,000
Depreciation written off	2,50,000

27. From the following information find the deferred tax liability. Also give the accounting entry.

	₹
Carrying value of PPE	15,00,000
Revalued at	20,00,000
Rate of tax	35%

28. Following is the summary of cash account for the year ended 31st March 2022 of X Ltd.

Particulars	₹	Particulars	₹
To Balance b/d	2,25,000	By Purchases	4,05,000
To Sales	5,00,000	By Trade Payables	1,52,000
To Trade Receivables	2,30,000	By Salary	1,42,000
		By Office Expenses	35,000
		By Balance c/d	2,21,000
	9,55,000		9,55,000

You are required to compute cash flow from operating activity of the company.

(6 × 4 = 24 Marks)

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

29. State the provisions regarding events after reporting period.

30. Mr A, a trader, who keeps his books under single entry system gives you the following information for the year ending 30th June 2022.

	₹
Cash balance on 1 st July 2021	5,000
A's drawings	7,500
Payments to creditors	35,000
Wages	11,000
Salaries	4,500
Received from debtors	48,000
Bank overdraft on 30 th June 2022	2,500
Cash sales	17,000
Cash purchases	1,800
Business expenses	8,500

Upon enquiry you find the following additional information.

	1 st July 2021	30 th June 2022
Stock	12,000	14,000
Debtors	26,000	21,000
Buildings	40,000	40,000
Creditors	20,000	9,000
Furniture	6,000	6,000

Write off depreciation at 6% on buildings and at 12% on furniture. Provide 5% on debtors for doubtful debts.

Prepare a Trading and Profit and Loss account for the year ended 30th June 2022 and a Balance sheet as on that date.

31. M Ltd., invited the public, to subscribe 10,000 equity shares of ₹100 each at a premium of ₹ 10 per share payable on allotment. Payments were to be made as: on application ₹ 20, on allotment ₹ 40, on first call ₹ 30 and on final call ₹ 20.

Applications were received for 13,000 shares, applications for 2,000 shares were rejected, and allotment was made proportionately to the remaining applicants. Both the calls were made and all the moneys were received except the final call on 300 shares, which were forfeited after due notice. Later 200 shares of the forfeited shares were reissued as fully paid at ₹ 85 per share. Give journal entries and show the Balance Sheet.

(2 × 15 = 30 Marks)