

SECOND SEMESTER UG DEGREE EXAMINATION, APRIL 2023

(Regular/Improvement/Supplementary)

BBA

GBBA2B02T: FINANCIAL ACCOUNTING

Time: 2 ½ Hours

Maximum Marks: 80

SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 Marks)

1. Define accounting.
2. What is journal?
3. What are subdivision of journal?
4. Describe the accounting equation.
5. What do you mean by business entity concept?
6. What is a trail balance?
7. Comment on cost of goods sold.
8. What is a right issue?
9. Write the accounting equation's Raju started business with a capital of ₹ 100000/-
10. Define forfeiture of share.
11. Who is a hire vendor?
12. Give an account on bonus share.
13. What is cash price?
14. Write the journal entry for issue of 2,000 8% debentures of ₹ 100/- each at ₹ 95/, repayable at par.
15. What do you mean by down payment?

SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 Marks)

16. Prepare a double column cash book from the following transactions.

Jan 01 Cash in hand	7,500
Cash at bank	23,200
Jan 04 Wages paid	400
Jan 05 Sold goods for cash	6,500
Jan 10 Purchased goods and paid by cheque	3,750
Jan 12 Purchased furniture for cash	4,300
Jan 13 Cash paid to Rahim	2,400
Jan 14 Cash sales	4,500
Jan 15 Deposited to bank	7,000
Jan 20 Paid telephone bill by cheque	600
Jan 27 Paid rent	1,800
Jan 30 Withdrew cash for office use	5,000

(PTO)

17. Prepare a trail balance as on 31-3-2023 of Mr. Anil from the following details.

Capital	30,000
Machinery	27,500
Purchases	37,000
Sales	53,500
Debtors	12,800
Creditors	7,300
Cash	4,700
Rent paid	4,000
Interest received	1,200
Wages paid	6,000

18. Calculate cost of goods sold from the following;

Opening stock	6,000
Purchases	24,000
Closing stock	8,700
Wages	6,700
Sales	48,000

19. What are financial statements? Describe its limitations.

20. Differentiate between hire purchases and installment system.

21. What are debentures? How is it classified?

22. Differentiate between branch accounts and departmental accounts.

23. A Delhi head office has a branch at Mumbai to which goods are invoiced at cost plus 20%. From the following particulars, prepare Branch Accounts in the book of head office .

Goods sent to branch	2,11,872
Total sales	2,06,400
Cash sales	1,10,400
Cash received from branch debtors	88,000
Branch debtors as on 1-1-2021	24,000
Branch stock on 1-1-2021	7,680
Branch stock on 31-12-2021	13,440

SECTION C: Answer any two questions. Each carries ten marks.

24. XY Ltd. invited application for 20,000 equity shares of ₹ 10 each at premium of ₹ 2 per share payable ₹ 3 on application ₹ 7 on allotment including premium and the balance on first and final call. Application for 25,000 shares were received .It was decided;

(a) to refuse allotment to applicants of 1,000 shares

(b) to allot full to applicants of 4,000 shares

(c) to allot the balance of available shares on prorata among the other applicants

Mr Rajeev holding 200 shares to whom shares had been issued on prorata basis failed to pay the amount due on allotment and call and Mr Sajeev holding 100 shares to whom full allotment was made failed to pay the call money only and these shares were forfeited. 160 forfeited shares of Rajeev and 40 shares of Sajeev were reissued at a discount of ₹ 1 per share to Mr Vijayan. Show the journal entries including cash in the books of XY. Ltd.

25. From the following trail balance prepare trading profit and loss account and a balance sheet as on 31-03-2023.

Particulars	Amount ₹	Amount ₹
Opening stock	17,500	
Purchases	68,600	
Sales		1,24,000
Furniture	18,500	
Creditors		10,200
Bank loan		20,000
Interest		800
Carriage inward	4,500	
Wages	5,200	
Debtors	18,000	
Capital		80,000
Sales return	2,000	
Insurance premium	8,200	
Cash in hand	5,300	
Cash at bank	14,600	
Building	72,600	
	2,35,000	2,35,000

Adjustments:

Closing stock amounts to ₹16,000

Wages outstanding ₹ 2300

Insurance premium is paid in advance to the extend of ₹ 1,200

Interest due but not received amounts to ₹ 200

Depreciate furniture and building by 10%

Provide 2% provision for bad and doubtful debt.

26. A car was bought on hire purchase system. Following are the details.

Total cash price 15,980

Down payment 4,000

Payable at the end of Ist year 6,000

Payable at the end of IInd year 5,000

Payable at the end of IIIrd year 5,000

Interest charged @5% per annum 2,000

Find out the interest paid by buyer to seller each year.

27. What do you understand by inter branch transactions? Which is the best method of dealing with this?

(2 × 10 = 20 Marks)