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D2BBA2301

(PAGES 4)

Reg.No.....

Name:

SECOND SEMESTER UG DEGREE EXAMINATION, APRIL 2024

(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. What is capital expenditure?
2. State business entity concept.
3. What is Balance Sheet?
4. Define Accounting.
5. What do you mean by contingent liabilities?
6. Insurance premium paid during 2022 is ₹ 1,200, of which two months insurance is prepaid.
Pass adjusting entry for the Prepaid Insurance.
7. What is cash down payment?
8. What is complete repossession?
9. Comment on interest suspense account.
10. What is cash in transit?
11. What is branch adjustment account?
12. Find opening branch debtors from the following information:
Credit sale : ₹ 51,000
Receipt from debtors : ₹ 42,500
Closing branch debtors : ₹ 7,700
Discount allowed : ₹ 1,800
13. What are bonus shares?
14. What are the profit available for capitalization?
15. Comment on equity shares.

(PTO)

SECTION B: Answer the following questions. Each carries *five* marks.

(Ceiling 35 Marks)

16. What are the limitations of Financial Accounting?
17. Distinguish between book keeping and accounting.
18. Explain different types debentures.
19. Explain Grouping and Marshalling of Assets and Liabilities.
20. A fire occurred in the premise of Jamshedji on 25th March 2023 and goods of the cost of ₹ 3 lakh were lost for which insurance company admitted a claim of ₹ 2.2 lakh on 29th March 2023. Give Journal entries and goods lost by fire account in the book of Jamshedji. Accounts are closed on 31st March.
21. Vandana purchased a refrigerator under hire purchase agreement from Cool India Ltd. on 1.1.2020. The cash price of the refrigerator was ₹ 15,500. The payment was to be made as follows:

On signing the agreement, 1.1.2020	: ₹ 3000
At the end of the first year, 31.12.2020	: ₹ 5000
At the end of the second year, 31.12.2021	: ₹ 5000
At the end of the third year, 31.12.2022	: ₹ 5000

Calculate interest for each year.
22. What are the adjusting entries given in the head office book to find out true profit when goods are sent at inflated price?
23. Neeraj Ltd. issues 50,000, 10% debentures of ₹100 each, payable ₹20 on application, ₹ 30 on allotment, ₹ 50 on first and final call. All the amounts were received. Pass the necessary journal entries in the books of the company.

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

24. From the following Trial Balance, prepare Trading and Profit and Loss Account for the year ended 31st March 2024 and Balance Sheet as on that date:

Particulars	Debit (₹)	Credit (₹)
Drawings	10000	
Stock as on 01.04.2023	46000	
Purchases and Purchase returns	150200	600
Cash in hand	3400	
Bank balance	22660	
Freehold premises	38600	
Trade expenses	840	
Printing, Stationery and Advertising	1640	
Professional charges	280	
Commission received		3300
Investment as on 1 st March @10%	4000	
Interest on deposits		200
Debtors and Creditors	36000	29000
Wages	25000	
Salaries	14000	
Capital		114000
Income-Tax	1600	
Discount	6300	4600
Sales and Sales returns	500	208950
Bills	3200	10000
Furniture	3050	
Rent, rates, and Insurance	4000	
Bad debt provision		670
Total	371320	371320

Adjustments:

- Provide for wages ₹ 5000
- Write off 5% depreciation on freehold premises and 10% on office furniture
- Stock on 31.03.2024 is ₹ 52,000/-
- Provide for doubtful debts @5% on sundry debtors
- Charge interest on capital at 5%

(PTO)

25. Raveendra Traders purchased a Motor Car from Nippon Toyota Ltd on 1.1.2020 on hire purchase system. The cash price of the motor car was ₹ 1,11,700. ₹ 30,000 was to be paid on signing the agreement and the balance in three equal instalments of ₹ 30,000 each. Interest at 5% per annum was charged by the vendor. The purchaser decided to write off 10% depreciation annually on the written down value method. The purchaser could not pay the instalment due on 31.12.2021 and as a result of this, the vendor took possession of the motor car and he estimated its value at ₹ 55,000 and spent 4,000 for repairing it. Later, this motor car was sold for ₹ 64,000. Prepare the important ledger accounts in the books of both the parties.
26. Give adjusting entries in the books of Head Office for the following. The Head Office closes its books on 31st December.
- Goods sent by Head Office to Agra Branch on 26th December, but reached Agra only on 8th January ₹ 6,000.
 - Cheque sent by Agra Branch to Head Office for ₹ 12,000 on 28th December but the same is received by Head Office only 15 days later.
 - Agra Branch paid ₹ 2,000 to Head Office Official as part of salary.
 - Goods purchased by Agra Branch but payment for the same made by Head Office ₹ 9,000.
 - Machinery for Branch bought by Head Office but payment for same made by Agra Branch ₹ 60,000; assets accounts kept by H.O.
 - Depreciation of Branch Machinery whose account is kept by Head Office ₹3,000.
 - Head Office expenses to be charged on Branch for work done on its behalf by Head Office ₹ 2,500.
 - Goods transferred from Kollam Branch to Kundara Branch ₹ 4,000.
27. What are accounting concepts and conventions?

(2 x 10 = 20 Marks)