



M 7498

Reg. No. :

Name :

**III Semester B.B.A. Degree (CCSS – Reg./Supple./Imp.) Examination,
November 2014
BBA – CORE COURSE
3B04 BBA : Financial Accounting**

Time : 3 Hours

Max. Weightage : 30

PART – A

This Part consists of **two** bunches of questions carrying **equal** weightage of **one**.
Each bunch consists of **four** objective type questions. Answer **all** questions.

- I. 1. Provision for doubtful debts is created based on the concept of _____
- | | |
|-----------------|----------------|
| a) Conservatism | b) Materiality |
| c) Consistency | d) Timeliness |
2. Purchase book records _____
- | | |
|------------------|---------------------|
| a) Cash purchase | b) Credit purchase |
| c) All purchases | d) Purchase returns |
3. _____ is prepared to know the financial position.
- | | |
|------------------|--------------------------|
| a) Balance sheet | b) P/L a/c |
| c) Trading a/c | d) P/L appropriation a/c |
4. Outstanding expense is a _____
- | | |
|---------------------------------|------------------------|
| a) Asset | b) Liability |
| c) Differed revenue expenditure | d) Current expenditure |
- (W=1)
- II. Fill in the blanks :
- 5) When shares are issued at face value it is called issue at _____
- 6) Preference shares carry a fixed rate of _____
- 7) Goodwill is a _____ asset.
- 8) GAAP means _____
- (W=1)

P.T.O.



PART – B

Answer **any 8** questions in **one** or **two** sentences **each**. **Each** question carries a weightage of **one**.

9. What is calls in arrear ?
10. What is sweat equity ?
11. What is sinking fund ?
12. Define debenture.
13. What is current liability ?
14. What do you mean by for fixture of shares ?
15. What is meant by capitalisation of profit ?
16. Define depreciation.
17. What is prepaid expense ?
18. Define partnership. (W = 8×1=8)

PART – C

Answer **any six** questions. **Each** question carries a weightage of **two**.

19. Define accounting. What are its objectives ?
20. Explain :
 - a) Accounting entity concept
 - b) Going concern concept.
21. State how security premium can be utilised by a company.
22. Give adjusting entries for the following :
 - a) Outstanding salary 10,000
 - b) Rent received in advance 5,000
 - c) Provision for doubtful debts 16,000
 - d) Provision for discount on creditors 6,000
 - e) Interest accrued 1,000.



23. From the following information, prepare a trading a/c for the year ended 31-3-2012.

Purchases 3,12,000; Return inwards 2,000

Sales 6,10,000; Return outwards 6,000

Wages 1,30,000; Carriage inwards 6,000

Manufacturing expenses 12,000.

Purchase includes goods taken by the proprietor for domestic use 10,000.

Stock on 1-4-2011 26,000

Stock on 31-3-2012 82,000.

24. Alwin Ltd. had issued 80,000 equity shares of Rs. 10 each, fully called up. It has the following reserves and profits.

Capital redemption reserve 1,40,000

Security premium 40,000

General reserve 20,000

If resolved to issue bonus shares @ 1 share of Rs. 10 each for every four shares held. Give journal entries.

25. On 1st April 2010, Y Ltd. issued 800 12% debentures of Rs. 1,000 each. Debenture holders had an option to convert their holdings into 13% preference shares of Rs. 100 each at a premium of Rs. 25 per share. A holder of 50 debentures notified his intention to convert his holdings into 13% preference shares.

Give journal entries for the issue and conversions of debentures.

26. a) Calculate new profit sharing ratio of X and Y (on the retirement of Z) :

Old profit sharing ratio of X, Y and Z = 2 : 2 : 1.

Gaining ratio of X and Y = 3 : 2.

b) P, Q, R and S were partners sharing profits in the ratio of 4 : 3 : 2 : 1. P retired from the firm and Q, R and S decided to share profits in the ratio of 2 : 1 : 2 respectively. Calculate Gaining Ratio.

(W = 6x2=12)

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PART - D

Answer **any two**. Each question carries a weightage of 4.

27. Following is the balance sheet of Apsara Ltd.

Equity share capital (50,000 shares of Rs. 10)	5,00,000	Land and Buildings	3,00,000
12% preference capital (40,000 shares of Rs. 10)	4,00,000	Furniture	1,00,000
General reserve	2,00,000	Stock	2,60,000
P/L a/c	50,000	Debtors	40,000
Security premium	40,000	Bank	5,00,000
Creditors	10,000		
	12,00,000		12,00,000

The company decided to redeem its preference shares at a premium of 10%. For this purpose the company issued 15,000 equity shares of Rs. 10 each at par.

Assuming that redemption is carried out. Give journal entries and prepare balance sheet of the company after redemption.

28. Prepare trading A/c, P/L A/c and balance sheet.

Purchases	1,50,000	Sales	2,25,000
Opening stock	25,000	Rent	2,000
Carriage inwards	2,500	Creditors	20,000
Salaries	12,000	Provision for bad-debts	500
Carriage outwards	4,000	Capital	1,37,500
Administrative expenses	12,500		
Debtors	25,000		
Bad debts	2,000		
Return inwards	5,000		
Land and buildings	1,20,000		
Cash in hand	2,000		
Cash at bank	25,000		
	3,85,000		3,85,000



Additional information :

- 1) Closing stock 20,000
- 2) Further bad-debts to be written off 5,000
- 3) Provision for doubtful debts to be kept at 5%
- 4) Charge depreciation on land and buildings at 5%
- 5) Administrative expenses outstanding Rs. 2,500.

29. Akbar and Bipin are partners sharing profits and losses in the ratio of 3 : 1. Their balance sheet as on 31-3-2012 was as under :

Creditors	41,500	Cash at bank	22,500
Capital		Bills receivable	3,000
Akbar	30,000	Debtors	16,000
Bipin	16,000	Stock	20,000
	46,000	Furniture	1,000
		Building	25,000
	87,500		87,500

On 1-4-2012, they like Mohan into partnership with one-fifth share on the following terms :

- a) Mohan to pay 10,000 as his capital and Rs. 5,000 for goodwill half of the amount is to be withdrawn by Akbar and Bipin .
- b) Stock and furniture are to be reduced by 10% and 5% provision is to be created for doubtful debts on debtors and B/R.
- c) Land and buildings to be appreciated by 20 %.
- d) A liability of 1000 is to be created for claim for damages against the firm.
- e) An item of Rs. 650 included in creditors is not likely to be claimed and is to be written off.

Prepare revolution account, capital accounts of partners and the balance sheet.

(W = 2×4=8)