



K15U 0074

Reg. No. : .....

Name : .....

**III Semester B.B.A./B.B.A. R.T.M. Degree (CCSS-Supple./Imp.)**  
**Examination, November 2015**  
**B.B.A./B.B.A.R.T.M. – Core Course**  
**3B04 B.B.A./B.B.A. (R.T.M.) : FINANCIAL ACCOUNTING**  
**(2013 and Earlier Admissions)**

Time : 3 Hours

Max. Weightage : 30

**PART – A**

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

Answer **all** questions.

- I. 1) \_\_\_\_\_ is a current asset.
  - a) goodwill
  - b) land and buildings
  - c) stock
  - d) furniture
- 2) When cash is withdrawn by the trader for his personal use, \_\_\_\_\_ account is debited.
  - a) cash
  - b) drawings
  - c) capital
  - d) personal
- 3) The business is treated as a unit for accounting purpose. This is based on \_\_\_\_\_ concept.
  - a) Accounting period
  - b) Convention
  - c) Money measurement
  - d) Accounting entity

P.T.O.



- 4) Prepaid expense, if given in the trial balance shall appear
- a) on the debit side of P and L A/c
  - b) on the liability side of balance sheet
  - c) on the credit side of P and L A/c
  - d) on the asset side of balance sheet

(W=1)

II. Fill in the blanks :

- 5) Debentures carry a fixed rate of \_\_\_\_\_
- 6) Patent right is a \_\_\_\_\_ asset.
- 7) \_\_\_\_\_ is done to ensure full subscription of shares.
- 8) Issue of \_\_\_\_\_ shares is called capitalisation of profits.

(W=1)

PART – B

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

- 9. What is GAAP ?
- 10. List two objectives of accounting.
- 11. What is manufacturing account ?
- 12. What is meant by accrued income ?
- 13. Give the entry for creating provision for doubtful debts.
- 14. Define preference shares.
- 15. What do you mean by issue of shares at a discount ?
- 16. What is sinking fund ?
- 17. Define firm under writing.
- 18. What do you mean by calls in advance ?

(W=8×1=8)



PART – C

Answer **any six** questions. Answer not to exceed **one** page. **Each** question carries a weightage of **two**.

19. Who are the users of accounting information ?
20. Explain :
  - a) Dual aspect concept
  - b) Going concern concept.
21. Explain the methods of redemption of debentures.
22. Write notes on :
  - a) Trial balance
  - b) Balance Sheet
  - c) Partnership.
23. A company forfeited 3000 equity shares of Rs. 10 each, fully called up, for non-payment of allotment money of Rs. 2, first call money of Rs. 3 and final call money of Rs. 4 per shares. These shares were reissued for Rs. 9.50 per share. Give journal entries recording the above.
24. Swastik Ltd. issued 50,000 equity shares of Rs. 10 each at a discount of Re. 1 per share payable Re. 1 on application, Rs. 4 on allotment and balance in call. The issue was fully subscribed for and paid up. Journalise.



25. Following is the position of Rolca Ltd. :

Equity share capital (40,000 shares of Rs. 10)	4,00,000
Reserve fund	60,000
Security premium	1,00,000
General reserve	40,000

It decided to issue bonus shares at the rate of one share of Rs. 10 each for every two shares held.

Give journal entries recording bonus issue.

26. X and Y sharing profits and losses in the ratio of 3 : 2 admit Z for one-fourth share in future profits. He brings in Rs. 1,00,000 for goodwill, half of which is withdrawn by old partners.

Give entries in the firms books.

(W=6×2=12)

#### PART – D

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

27. Soman, Ravi and Raju are partners in a firm sharing profits in the ratio of 3 : 2 : 1. Thus Balance Sheet on 31<sup>st</sup> December 2010 was as under :

Creditor	15,000	Cash at bank	6,000
General reserve	6,000	Debtors	12,000
Capital :		Stock	10,000
Soman	15,000	Investments	15,000
Ravi	10,000	Buildings	8,000
Raju	5,000		
	30,000		
	<b>51,000</b>		<b>51,000</b>

Ravi died on 31<sup>st</sup> March 2011 and according to the agreement, his legal representative was entitled to the following :



- a) Capital to the credit of Ravi at the time of his death and interest on capital @ 6% per annum.
- b) His share of profit till the date of death on the basis of last years profits.
- c) His share of goodwill.
- d) His share in general reserve.

Soman and Raju share profits in the ratio of 3 : 1. Goodwill of the firm is valued at 24000. Last years profit was Rs. 9,000. Transfer the amount due to Ravi to an Executor's Loan A/c.

Show Partners Capital Accounts and the Executor's Loan Account.

28. The following is the Balance Sheet of Apoorva Ltd. equity share capital.

Equity share capital		Land and buildings	6,00,000
(100000 shares of Rs. 10)	10,00,000	Machinery	10,00,000
8% redeemable preference shares		Stock	4,00,000
(50000 shares of Rs. 10)	5,00,000	Debtors	1,00,000
Capital reserve	1,00,000	Cash at bank	9,00,000
Securities premium	1,00,000		
General reserve	2,00,000		
P and L A/c	1,00,000		
Creditors	10,00,000		
	<b>30,00,000</b>		<b>30,00,000</b>

The preference shares are to be redeemed at 10% premium. Fresh issue of equity shares is to be made to the extent required under the Companies Act. Give journal entries recording redemption and show the Balance Sheet of the company.



29. The following is the trial balance of B. Govind as on 31-3-2011.

<b>Dr. Balances</b>		<b>Cr. Balances</b>	
Cash in hand	540	Sales	2,58,780
Cash at bank	12,630	Return outward	1,500
Purchases	1,40,675	Capital	82,000
Return inwards	2,680	Sundry creditors	6,300
Wages	20,480		
Fuel and Power	4,730		
Carriage inwards	2,040		
Carriage outwards	3,200		
Opening stock	25,760		
Buildings	30,000		
Land	20,000		
Machinery	20,000		
Patents	7,500		
Salaries	15,000		
General expenses	13,000		
Insurance	600		
Drawings	15,245		
Sundry debtor	14,500		
	<b>3,48,580</b>		<b>3,48,580</b>



**Adjustments :**

- 1) Closing stock is valued at Rs. 26,800
- 2) Machinery is to be depreciated by 10%
- 3) Salaries outstanding 1500
- 4) Insurance prepaid 85
- 5) Provide for doubtful debt @ 2%

Prepare Final Accounts.

**(W=2×4=8)**

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