



Reg. No. : .....

Name : .....

**III Semester B.B.A./B.B.A. (RTM) Degree (CBCSS-Sup./Imp.)**

**Examination, November 2020**

**(2014 – '18 Admns.)**

**Core Course**

**3B04 BBA/BBA(RTM) : FINANCIAL ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

**SECTION – A**

Answer **all** questions. **Each** question carries  $\frac{1}{2}$  mark.

**(4 ×  $\frac{1}{2}$  = 2)**

1. What do you mean by pre-paid expense ?
2. What is the purpose of preparing trading account in business ?
3. Explain the term partnership.
4. What are preference shares ?

**SECTION – B**

Answer **any four** questions. **Each** question carries 1 mark.

**(4 × 1 = 4)**

5. Explain the term journal.
6. What is current liability ? Give an example.
7. Discuss about business entity assumption.
8. List two features of partnership.
9. What is revenue expenditure ?
10. Explain the term share capital.

**SECTION – C**

Answer **any six** questions. **Each** question carries 3 marks.

**(6 × 3 = 18)**

11. Write short note on the users of accounting information.
12. What are the contents of partnership deed ?
13. Differentiate between profit and loss account and balance sheet.



14. Explain the major type of debentures.
15. Briefly discuss about accounting concepts.
16. Ravi and Manu are partners sharing profits in the ratio of 3 : 2. They admitted Madhav as a new partner for 1/5 share in the future profit of the firm. Calculate new profit sharing ratio of Ravi, Manu and Madhav.
17. Explain the following with regard to financial accounting  
a) Depreciation b) Accrued income c) Drawings d) Fixed asset
18. On preparing final accounts of a trader, bad debt accounts has a balance of ₹ 600 and sundry debtors account has a balance of ₹ 21,000 of which ₹ 1,000 is to be written off as bad debts.

Give adjusting entry for bad debts and also show, how it would appear in Profit and Loss Account.

## SECTION – D

Answer **any two** questions. **Each** question carries **8** marks. (2×8=16)

19. Discuss in detail about the advantages and limitations of financial accounting.
20. The following is the Trial balance of a trader as on December 31<sup>st</sup> 2019.

	Dr. (₹)	Cr.(₹)
Sales		1,20,000
Purchases	85,000	
Import duty	5,000	
Factory Expenses	3,000	
Office Expenses	6,000	
Sundry Debtors	30,000	
Commission		1,500
Bad debt	2,500	
Sundry Creditors		28,500
10% Investments	20,000	
Interest on investment		1,500
Opening Stock	15,000	



General Expenses	3,000	
Cash in Hand	2,000	
Machinery	40,000	
Capital		60,000
	<b>2,11,500</b>	<b>2,11,500</b>

**Adjustments :**

- 1) Closing Stock is valued at ₹ 21,500
- 2) Provide 5% of debtors for bad debt
- 3) Interest on investment for 3 months is outstanding.
- 4) Commission received in advance amounts to ₹ 300.

Prepare Trading and Profit and Loss Account and also the balance sheet as on 31<sup>st</sup> Dec. 2019.

21. Birla Ltd. issued 25,000 shares of ₹ 100 each at ₹ 110 payable as follows.

₹ 25 on application

₹ 30 on allotment (Including Premium)

₹ 25 on first call

₹ 30 on second and final call

20,000 shares were applied for and allotted. All money due were received in time except the second call money on 500 shares held by Tom, These shares were forfeited. Out of these shares 200 shares were subsequently re-issued at ₹ 90 per share.

Draft Journal entries in the books of the company to record the above transactions.