



Reg. No. :

Name :

**Third Semester B.B.A./B.A. (R.T.M.) Degree (CBCSS – OBE-Regular/
Supplementary/Improvement) Examination, November 2022
(2019 Admission Onwards)**

Core Course

3B04 BBA/BBA (RTM) : FINANCIAL ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

(Very Short Answer)

Answer all the questions. Each question carries one mark.

1. What is Accounting ?
2. Explain your idea about Ledger.
3. What is Final Account ?
4. What is Depreciation ?
5. Explain the term Provision.
6. What is Amalgamation ?

(6×1=6)

PART – B

(Short Answer)

Answer any six questions. Each question carries 2 marks.

7. What is Corporate Dividend Tax ?
8. What Journal entry is reordered 'when Furniture Rs. 10,000 purchased from Arun' ?
9. What do you mean by Contingent liabilities ? List out two examples.
10. What do you mean by Forfeiture of the share ?
11. Narrate the journal entries for loss of goods by fire amounted Rs. 5,000 and Insurance Company agreed to compensate 75% of the total loss.

P.T.O.



12. Give the journal entries for the following transactions.
 - a) Cash received from Karan Rs. 20,000; allowed him a discount of Rs. 4,000
 - b) Cash paid to Manu Rs. 40,000; discount allowed by him Rs. 5,000
13. What is the importance of depreciation ?
14. State the Accounting Equation.

(6×2=12)

PART – C

(Essay)

Answer any four questions. Each question carries 3 marks.

15. The following is the part of a trial balance of a firm as on 31st December 2021.

| Particulars | Dr. | Cr. |
|---------------------|--------|-------|
| Sundry Debtors | 82,000 | |
| Bad debts | 3,000 | |
| Prov. for bad debts | | 3,600 |

Additional information :

Further bad debts to be written off – Rs. 2,000

Create provision for bad debts @ 10% on debtors.

Show how these items appear in Profit and Loss A/c and Balance Sheet.

16. Briefly explain the classification of Debentures.
17. How are the following items adjusted while preparing financial statements
 - a) Advance Income received
 - b) Outstanding expenses
 - c) Dishonor of a cheque
 - d) Interest charged by the bank.

18. Mr. Manu, the petty cashier of M/s Raj Traders received Rs. 400 on January 1 2021 from the head cashier. For the month, details of petty expenses are listed as under :

| Date 2021 January | Details | Amount (Rs.) |
|-------------------|---------------------|--------------|
| 1 | Telegrams | 25 |
| 3 | Travelling expenses | 21 |
| 10 | Taxi fare | 35 |
| 15 | Postage | 41 |
| 18 | Printing charges | 25 |
| 22 | Repair | 10 |
| 23 | Refreshment | 20 |
| 26 | Carriage on goods | 36 |

Prepare a petty cash book.



19. Identify the following transactions based on Cash, Credit and Bank. Also, briefly state the reason.

| Date 2021 December | Details |
|--------------------|--|
| 1 | Mr. Raj Commenced business with Cash Rs. 25,000, Stock Rs. 20,000, Bank Rs. 10,000 |
| 3 | Bought goods by cheque Rs. 5,000 |
| 10 | Paid carriage by cheque Rs. 250 |
| 15 | Sold goods for cash Rs. 8,500 |
| 18 | Sold goods on credit to M/s Gadha Traders Rs. 6,900 |
| 22 | Purchased a machinery from Kiran Rs. 6,000 |
| 23 | Purchased goods and paid by cheque Rs. 5,000 |
| 25 | Cash Sales Rs. 4,000 |
| 28 | Paid into bank Rs. 3,000 |
| 29 | Paid salary by cheque Rs. 600 |
| 30 | Received commission Rs. 2,000 |
| 31 | Purchased goods and paid by cheque Rs. 4,000 |

20. Journalize the following transactions.

- a) Ashok started business with cash Rs. 8,000, furniture Rs. 4,000 and stock of goods Rs. 16,000
- b) Deposited cash in State Bank of India Rs. 10,000
- c) Purchased goods from Manu Rs. 10,000 at a trade discount of 5%
- d) Sold goods to Abhi Rs. 12,000 at a trade discount of 6%
- e) Sold goods for cash Rs. 10,000
- f) Purchased goods for cash Rs. 12,000
- g) Paid to Manu Rs. 4,000; Discount allowed by him Rs. 400
- h) Received from Abhi Rs. 8,000; allowed him a discount of Rs. 600. (4×3=12)

PART – D

(Long Essay)

Answer any two questions. Each question carries 5 marks.

21. Explain briefly the uses of Financial Accounting.
22. The following trial balance has been taken out from the books of XYZ as on 31st December 2021.

| Particulars | Dr. | Cr. |
|---------------------|----------|-----|
| Plant and Machinery | 1,00,000 | |
| Opening stock | 60,000 | |



| | | |
|-----------------------|-----------------|-----------------|
| Purchases | 1,60,000 | |
| Building | 1,70,000 | |
| Carriage inward | 3,400 | |
| Carriage outward | 5,000 | |
| Wages | 32,000 | |
| Sundry debtors | 1,00,000 | |
| Salaries | 24,000 | |
| Furniture | 36,000 | |
| Trade expense | 12,000 | |
| Discount on sales | 1,900 | |
| Advertisement | 5,000 | |
| Bad debts | 1,800 | |
| Drawings | 10,000 | |
| Bills receivable | 50,000 | |
| Insurance | 4,400 | |
| Bank balances | 20,000 | |
| Sales | | 4,80,000 |
| Interest received | | 2,000 |
| Sundry creditors | | 40,000 |
| Bank loan | | 1,00,000 |
| Discount on purchases | | 2,000 |
| Capital | | 1,71,500 |
| | 7,95,500 | 7,95,500 |

Closing stock is valued at Rs. 90,000. Prepare the Trading and Profit and Loss Account of the business for the year ended 31-12-2021.

23. The bank balance of a business firm has increased during the last financial year by Rs. 1,50,000. During the same period it issued shares of Rs. 2,00,000 and redeemed debentures of Rs. 1,50,000. It issued fixed assets for Rs. 40,000 and earned depreciation of Rs. 20,000. The working capital of the firm, other than bank balance, increased by Rs. 1,15,000 during the period. Calculate the profit of the firm for the year.

24. Discuss briefly the Sub division of the journal.

(2×5=10)