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(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER B.Com. (CBCSS-UG) DEGREE EXAMINATION
APRIL 2026**

BCM 2B 02—FINANCIAL ACCOUNTING

(2019 Syllabus)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

Answer all questions.

Each question carries 2 marks.

1. What are the merits of single-entry system ?
2. What do you mean by Royal Chartered Company ?
3. What do you mean by called up capital ?
4. What do you mean by participating preference shares ?
5. Explain ESOS.
6. Distinguish between Share and Stock.
7. How will you treat calls in arrears ?
8. What is issue of shares at a premium ?
9. Distinguish between Secured and Unsecured debentures.
10. What do you mean by writing off loss or discount on issue of debentures ?
11. What do you mean by IASC.
12. Explain the features of IFRS.
13. Explain the scope of NFRA.
14. Distinguish between IFRS/IAS-7 and Ind AS-7.
15. Explain the salient features of Schedule III of Companies Act, 2013.

(15 × 2 = 30 marks; Ceiling 25 marks)

Section B

Answer all questions.

Each question carries 5 marks.

16. Distinguish between Statement of Affairs and Balance Sheet.
17. Explain different steps involved in conversion method.
18. Explain different classification of companies.

Turn over

19. Ravi Kumar commenced business on 1st Jan. 2005 with a capital of Rs. 30,000: Rs. 20,000 brought in cash and the balance in the form of equipment. On 1st October 2005, he introduced Rs. 15,000 into the business, for which Rs. 10,000 were borrowed from his friend during the year. He withdraws at the rate of Rs. 800 a month. His position on 31st Dec. 2005 was as follows :

Assets		Rs.
Stock of goods	...	18,000
Sundry debtors	...	12,000
Equipment	...	9,000
Cash at bank	...	4,000
Cash in hand	...	1,000
Bills receivable	...	5,000
Furniture	...	8,000
Liabilities :		Rs.
Sundry Creditors	...	10,000
Loan from friend	...	10,000
Bills payable	...	3,000

Ascertain his profit for the year ended 31st Dec. 2005.

20. Western Corporation issued 50,000 shares of Rs. 20 each to the public for subscription out of its share capital, payable as Rs. 8 on application, Rs. 6 on allotment, and the balance on the first and final call. Applications were received for 50,000 shares. The company made the allotment to the applicants in full. All the amounts due on allotment and the first and final call were duly received. Give the journal entries.
21. Y Limited issued 15,000, 10 % debentures of Rs. 200 each, payable Rs. 80 on application and Rs. 120 on allotment. The public applied for 18,000 debentures. Applications for 12,000 debentures were accepted in full; applications for 3,000 debentures were allotted 1,500 debentures and the remaining applications were rejected. All money was duly received. Journalize the transactions.
22. Show the following items in the Balance Sheet of Skyline Ltd. as at March 31, 2024 :
- General Reserve (since March 31, 2013) : Rs. 6,50,000.
- Statement of profit and loss (debit balance) for 2023-24 : Rs. 4,00,000.
23. Romi Ltd. acquired assets of Rs. 20 lakh and took over creditors of Rs. 2 lakh from Kapil Enterprises. Romi Ltd., issued 8 % debentures of Rs. 100 each at par as purchase consideration. Record necessary journal entries in the books of Romi Ltd.

(8 × 5 = 40 marks; Ceiling 35 Marks)

Section C

*Answer any **two** questions.
Each question carries 10 marks.*

24. What is FASB ? Explain its functions.
25. From the following ledger balance of Sunny Corporation, prepare the Balance Sheet as on 31st December 2023 :

	Rs.
Plant and Machinery	... 7,50,000
Land and Buildings	... 12,00,000
Furniture and Fixtures	... 2,50,000
Patents and Trademarks	... 1,00,000
Cast at Bank	... 1,50,000
Bills Receivable	... 2,00,000
Prepaid Rent	... 50,000
10 % Debentures	... 5,00,000
Bank loan (due in 5 years)	... 8,00,000
Creditors	... 3,00,000
Outstanding salaries	... 1,20,000
Capital (equity shares of Rs. 100 each fully paid)	... 15,00,000
Profit and Loss Account (Debit balance)	... 2,30,000
Proposed dividend	... 1,00,000
General Reserve	... 3,00,000

26. Give journal entries for the following :
- Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at par.
 - Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at par and redeemable at par.
 - Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at premium of 7 % but redeemable at par.
 - Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at discount of 4 % repayable at par.
 - Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at par but repayable at a premium of 6 %.
 - Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at discount of 3 % but redeemable at premium of 5 %.
 - Issue of Rs. 1,50,000, 8 % debentures of Rs. 100 each at premium of 5 % and redeemable at premium of 5 %.

Turn over

27. Mr. B keeps his books by single-entry system. His position on 1st Jan. 2022 was as follows :

	Rs.
Cash at Bank ...	7,000
Machinery and Plant ...	8,000
Cash in hand ...	1,200
Bills receivable ...	3,500
Stock ...	10,000
Sundry debtors ...	9,500
Creditors ...	3,000
Bills payable ...	4,500

On 31st Dec. 2022, his position was as under :

Cash at bank ...	5,800
Machinery and Plant ...	7,600
Cash in hand ...	1,500
Bills receivable ...	4,200
Stock ...	12,000
Sundry debtors ...	8,500
Creditors ...	2,200
Bills payable ...	3,800

During the year, he introduced further capital of Rs. 2,500 and his drawings were Rs. 1,000 per month. Depreciate machinery and plant by 10 % and create a reserve for bad and doubtful debts at 3 %.

From the above information, prepare a statement showing the profit or loss made by him for the year ended 31st Dec. 2022.

(2 × 10 = 20 marks)

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(Pages : 5)

Name.....

Reg. No.....

**SECOND SEMESTER (CBCSS—UG) [SUPPLEMENTARY] DEGREE
EXAMINATION, APRIL 2025**

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2019 Syllabus)

Time : Two Hours and a Half

Maximum : 80 Marks

** Answer should be written in English only.***Section A***Answer all questions.**Each question carries 2 marks.*

1. What are the limitations of single entry system ?
2. What do you mean by One Person Company ?
3. What are the different books of accounts maintained by the companies ?
4. What do you mean by subscribed capital ?
5. What do you mean by non-cumulative preference shares ?
6. What do you mean by Sweat equity shares ?
7. How will you treat over subscription ?
8. What do you mean by issue of shares at discount ?
9. Write down the accounting treatment of forfeiture of shares at a discount.
10. Distinguish between convertible and non-convertible debentures.
11. What do you mean by redemption by conversion ?
12. Explain the objectives of accounting standards.
13. Discuss the functions of ASB of India.

Turn over

14. What do you mean by NFRA.
15. Distinguish between IFRS/AS 12 and Ind AS 12.

(15 × 2 = 30 marks Ceiling 25 marks)

Section B

Answer all questions.

Each question carries 5 marks.

16. Distinguish between Single Entry System and Double Entry System.
17. Explain the features of joint stock companies.
18. Distinguish between capital reserve and reserve capital.
19. Anil B Kumar commenced business on 1st January 2004 with a capital of Rs. 35,000 : Rs. 25,000 brought in cash and the balance in the form of machinery. On 1st October 2004, he introduced Rs. 15,000 into the business for which Rs. 9,000 were borrowed from his friend during the year. He withdrew at the rate of Rs. 700 a month. His position on 31st December 2004 was as follows :

<i>Assets</i>		<i>Rs.</i>	<i>Liabilities</i>		<i>Rs.</i>
Stock of goods	...	18,000	Sundry creditors	...	9,000
Sundry debtors	...	12,500	Loan from friend	...	9,000
Machinery	...	7,500	Bills payable	...	2,000
Cash at bank	...	5,000			
Cash in hand	...	800			
Bills receivable	...	4,500			
Furniture	...	11,500			

Ascertain his profit for the year ended 31st December 2004.

20. Northern Company Limited issued 60,000 shares of Rs. 20 each to the public for subscription out of its share capital, payable as Rs. 8 on application, Rs. 7 on allotment, and the balance on the first and final call. Applications were received for 60,000 shares. The company made the allotment to the applicants in full. All the amounts due on allotment and the first and final call were duly received. Give the journal entries.

21. Y Limited issued 15,000, 10 % debentures of Rs. 150 each payable Rs. 50 on application and Rs. 100 on allotment. The public applied for 20,000 debentures. Applications for 13,500 debentures were accepted in full; applications for 4,000 debentures were allotted 1,500 debentures and the remaining applications were rejected. All money was duly received. Journalize the transactions.
22. Show the following items in the balance sheet of Moonstar Ltd. as at 31st March 2024 :
- General Reserve (since 31st March 2013)—Rs. 6,50,000
 - Statement of Profit and Loss (debit balance) for 2013-14—Rs. 4,00,000.
23. Give name of four intangible assets.

(8 × 5 = 40 marks Ceiling 35)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Explain the process of setting IFRS.
25. Varun Ltd. is a company that provides its ledger balances as of 31st March, 2019. Using the provided information, prepare a Balance Sheet for Varun Ltd. in compliance with Schedule III of the Companies Act, 2013.

Ledger Balances of Varun Ltd. as on 31st March, 2019 :

- Plant and Machinery—Rs. 6,00,000
- Immovable Property—Rs. 10,00,000
- Trade Marks—Rs. 1,80,000
- Drafts on Hand—Rs. 5,00,000
- Cash at Bank—Rs. 34,000
- Bills Receivable—Rs. 2,40,000
- Prepaid Insurance—Rs. 1,00,000
- 8 % Debenture—Rs. 8,00,000
- Public Deposit—Rs. 5,00,000

Turn over

- Employees' Provident Fund—Rs. 1,30,000
- Provision for Taxation—Rs. 1,80,000
- Securities Premium—Rs. 80,000
- Sundry Creditors—Rs. 1,16,000
- Bank Overdraft—Rs. 1,50,000
- Loan to Manager—Rs. 70,000
- Security Deposit—Rs. 1,24,000
- Deposits with ICICI Bank (5 years)—Rs. 1,98,000
- Brokerage on Issue of Shares—Rs. 1,10,000

Prepare the Balance Sheet of Excel Ltd. as on 31st March, 2019, ensuring adherence to the format and requirements specified under Schedule III of the Companies Act, 2013. Provide necessary notes to the Balance Sheet where applicable.

26. XYZ Limited issued Rs. 1,50,000, 9 % debentures of Rs. 100 each in different scenarios. Provide the journal entries for each :
- 1 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at par.
 - 2 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at par and redeemable at par.
 - 3 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at premium of 5 % but redeemable at par.
 - 4 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at discount of 5 % repayable at par.
 - 5 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at par but repayable at a premium of 5 %.
 - 6 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at discount of 5 % but redeemable at premium of 5 %.
 - 7 Issue of Rs. 1,50,000, 9 % debentures of Rs. 100 each at premium of 5 % and redeemable at premium of 5 %.

27. Mr. B keeps his books by single entry system. His position on 1st January 2023 was as follows :

- Cash at bank—Rs. 7,000
- Machinery and plant—Rs. 8,500
- Cash in hand—Rs. 1,200
- Bills receivable—Rs. 3,500
- Stock—Rs. 10,000
- Creditors—Rs. 3,000
- Bills payable—Rs. 4,500
- Sundry debtors—Rs. 9,500

On 31st December 2023, his position was as under :

- Cash at bank—Rs. 6,500
- Machinery and plant—Rs. 8,500
- Cash in hand—Rs. 1,500
- Bills receivable—Rs. 4,000
- Stock—Rs. 12,000
- Creditors—Rs. 2,000
- Bills payable—Rs. 3,500
- Sundry debtors—Rs. 7,000

During the year, he introduced further capital of Rs. 3,000, and his drawings were Rs. 900 per month. Depreciate machinery and plant by 8 % and create a reserve for bad and doubtful debts at 4%. From the above information, prepare a statement showing the profit and loss made by him for the year ended 31st December 2023.

(2 × 10 = 20 marks)

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Name.....

Reg. No.....

**SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2024**

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2019—2023 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer all questions.**Each question carries 2 marks.*

1. Explain the features of single entry system.
2. What do you mean by incorporated companies ?
3. What do you mean by reserve capital ?
4. Distinguish between equity shares and preference shares.
5. How will you treat calls in advance ?
6. What do you mean by under subscription ?
7. What do you mean by forfeiture of shares ?
8. Distinguish between shares and debentures.
9. What are the different methods of redemption of debentures ?
10. Explain the benefits of accounting standards.
11. What are the objectives of ASB of India ?
12. What do you mean by SIC ?
13. Distinguish between IFRS and Indian Accounting standards.
14. What is Biological Asset other than Bearer Plants.
15. What do you mean by corporate dividend tax ?

(15 × 2 = 30 marks Ceiling : 25)

Turn over

Section B*Answer all questions.**Each questions carries 5 marks.*

16. Explain different types of single entry system.
17. What do you mean by net worth method ?
18. Sri C Sharma commenced business on 1st January 2003 with a capital of Rs. 25,000 : Rs. 20,000 brought in cash and the balance in the form of machinery. On 1st October 2003 he introduced Rs. 10,000 in the business for which Rs. 6,000 were borrowed from his wife during the year. He withdraw at the rate of Rs. 500 a month. His position on 31st December 2003 was as follows :

<i>Assets</i>	<i>Rs.</i>	<i>Liabilities</i>	<i>Rs.</i>
Stock of goods	... 12,500	Sundry creditors	... 8,500
Sundry debtors	... 10,500	Loan from wife	... 6,000
Machinery	... 6,000	Bills payable	... 1,500
Cash at bank	... 3,000		
Cash in hand	... 500		
Bills receivable	... 3,800		
Furniture	... 10,000		

Ascertain his profit for the year ended 31st December 2003.

19. Eastern Company Limited issued 40,000 shares of Rs. 10 each to the public for the subscription out of its share capital, payable as Rs. 4 on application, Rs. 3 on allotment and the balance on 1st and final call. Applications were received for 40,000 shares. The company made the allotment to the applicants in full. All the amounts due on allotment and first and final call were duly received. Give the journal entries.
20. X Limited Issued 10,000, 12 % debentures of Rs. 100 each payable Rs. 40 on application and Rs. 60 on allotment. The public applied for 14,000 debentures. Applications for 9,000 debentures were accepted in full ; applications for 2,000 debentures were allotted 1,000 debentures and the remaining applications, were rejected. All money was duly received. Journalize the transactions.

21. Show the following items in the balance sheet of Sunstar Ltd. as at March 31, 2023 :

- General Reserve (since March 31st, 2017)—Rs. 7,50,000.
- Statement of Profit and Loss (debit balance) for 2022-23—Rs. 4,50,000.

22. A Limited took over the assets of Rs. 3,00,000 and liabilities of Rs. 10,000 from B and Co. Ltd., for an agreed purchase consideration of Rs. 2,70,000 to be satisfied by issue of 15 % debentures of Rs. 100 at 20 % premium. Show the journal entries in the journal of A Limited.

23. Give name of four intangible assets.

(8 × 5 = 40 marks Ceiling : 35)

Section C

*Answer any two questions.
Each question carries 10 marks.*

24. What do you mean by Ind AS. Explain standard setting process in India.

25. From the following ledger balances of Vanin Ltd., Prepare balancesheet of the company as on 31st March, 2019.

<i>Particulars</i>	<i>Amount (Rs.)</i>
Plant and Machinery	... 6,00,000
Immovable Property	... 10,00,000
Trade Marks	... 1,80,000
Drafts on Hand	... 5,00,000
Cash at Bank	... 34,000
Bills Receivable	... 2,40,000
Prepaid Insurance	... 1,00,000
8 % Debenture	... 8,00,000
Public Deposit	... 5,00,000
Employees' Provident Fund	... 1,30,000
Provision for Taxation	... 1,80,000
Securities Premium	... 80,000
Sundry Creditors	... 1,16,000
Bank Overdraft	... 1,50,000
Loan to Manager	... 70,000
Security Deposit	... 1,24,000
Deposits with ICICI Bank (5 years)	... 1,98,000
Brokerage on Issue of Shares	... 1,10,000

26. Give Journal entries for the following :

- (a) Issue of Rs. 1,00,000, 9 % debentures of Rs. 100 each at par.
- (b) Issue of Rs. 1,00,000, 9 % debentures of Rs. 100 each at par and redeemable at par.
- (c) Issue of Rs. 1,00,000, 9% debentures of Rs. 100 each at premium of 5 % but redeemable at par.
- (d) Issue of Rs. 1,00,000, 9% debentures of Rs. 100 each at discount of 5 % repayable at par.
- (e) Issue of Rs 1,00,000, 9 % debentures of Rs. 100 each at par but repayable at a premium of 5 %.
- (f) Issue of Rs 1,00,000, 9 % debentures of Rs. 100 each at discount of 5 % and redeemable at premium of 5 %.
- (g) Issue of Rs. 1,00,000, 9 % debentures of Rs. 100 each at premium of 5 % and redeemable at premium of 5 %.

27. A keeps his books by single entry system. His position on 1st January 2021 was as follows :

	Rs.		Rs.
Cash at bank	... 5000	Machinery and plant	... 6,500
Cash in hand	... 1,000	Bills receivable	... 2,600
Stock	... 7,000	Creditors	... 2,500
Sundry debtors	... 8,400	Bills payable	... 4000

On 31st December 2021 his position was as under

Cash at bank	... 4,300	Machinery and plant	... 6,500
Cash in hand	... 1,700	Bills receivable	... 3,200
Stock	... 9,000	Creditors	... 160
Sundry debtors	... 6000	Bills payable	... 3,200

During the year introduced further capital of Rs2000, and his drawings were Rs. 800 per month.

Depreciate machinery and plant by 5 % and create a reserve for bad and doubtful debts at 5 %..

From the above information prepare a statement showing the profit and loss made by him for the year ended 31st December 2021.

(2 × 10 = 20 marks)

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Name.....

Reg. No.....

**SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2023**

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2019—2022 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer **all** the questions.**2 marks each.**Maximum 25 Marks.*

1. What do you mean by issue of shares at premium ?
2. What is calls in advance ?
3. What is single entry system of accounting ?
4. What is capital reserve ?
5. Explain over subscription of shares ?
6. What do you understand by forfeiture of shares ?
7. What are divisible profits ?
8. What do you mean by principle of revenue recognition ?
9. Expand IFRS.
10. What is private placement ?
11. Write the objectives of ASB ?
12. What is a convertible preference share ?
13. What is a balance sheet ?
14. What is pro-rata allotment ?
15. What is a bearer debenture ?

(15 × 2 = 30 Maximum ceiling 25 Marks)

Turn over

Section B*Answer all the questions.**5 marks each.**Maximum 35 Marks.*

16. Explain the different phases of issue of share capital.
17. Distinguish reserve capital and capital reserve.
18. Explain the features of IFRS.
19. From the following data, ascertain total purchases.

Balance of creditors on 01-01-2020	:	14,000
Cash paid to creditors	:	10,000
Discount allowed by them	:	500
Bills payable given	:	10,000
Returns outward	:	3,000
Balance of creditors on 31-12-2020	:	25,000
Cash purchase	:	10,000

20. Surya Ltd. Issued 2,00,000 equity shares of Rs. 10 each, payable Rs. 3 on application, Rs. 2 on allotment, Rs. 3 on first call and Rs. 2 on final call. The company duly receives the amount due on allotment. One shareholder holding 6,000 shares paid the final call money along with the first call, while another shareholder holding 10,000 shares did not pay the first call money. The company did not make the final call.

Pass journal entries.

21. Vivek Ltd. took over assets worth Rs. 5,00,000 and liabilities of Rs. 1,34,000 of Midhun Traders for the purchase consideration of Rs. 3,96,000. Vivek Ltd paid the purchase consideration by issuing debentures of Rs. 100 each. Give journal entries in the books of Vivek Ltd assuming that debentures are issued at 10 % discount.
22. Hindustan Ltd. Was registered with a nominal capital of Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each. The company issued 10,000 shares at par, payable Rs. 20 on application, Rs. 30 on allotment, Rs. 20 on first call and Rs. 30 on final call. All shares were subscribed by the public and amounts duly received. Pass journal entries in the books of the company.

23. A company carried forward a balance of Rs. 40,000 from the P and L A/c for the year ended 31/03/2019. During the year 2019-20 it made a further profit of Rs. 3,10,000 before providing taxation. It was decided that the following decisions may be carried out.
- (a) Provision for taxation Rs. 1,50,000.
 - (b) Dividend equalisation reserve Rs. 25,000.
 - (c) Dividend on 8 % preference shares of Rs. 2,00,000.
 - (d) Dividend at 15 % on 30,000 equity shares of Rs. 10 each fully paid.
 - (e) General reserve Rs. 35,000.
 - (f) Development rebate reserve Rs. 35,000.

Show the changes in the Surplus in Statement of Profit and Loss.

(8 × 5 = 40 Maximum ceiling 35 Marks)

Section C

*Answer any **two** of the following.
10 marks each.*

24. Arjun commenced business on 01-01-2020, with a capital of Rs. 25,000. He immediately bought furniture for Rs. 6,000. During the year, he borrowed Rs. 15,000 from his wife and introduced further capital of his own amounting to Rs. 9,500. He had withdrawn Rs. 900 at the end of each month for family expenses.

On 31-12-2020, his position was as follows.

Cash in hand Rs. 600, cash at bank Rs. 7,800, debtors Rs. 14,400, stock Rs. 20,400, bills receivable Rs. 4,800, creditors Rs. 1,500, rent due Rs. 450. Furniture is to be depreciated by 10 %. Ascertain the profit or loss made by Arjun during 2020.

25. Manju Ltd. Issued 2,00,000 equity shares of Rs. 10 each payable as Rs. 3 on application, Rs. 2 on allotment, Rs. 2 on first call and Rs. 3 on final call. The company receives application for 2,40,000 shares. It allows applicants for 1,00,000 shares in full, those for 1,20,000 shares, 1,00,000 shares and rejects applications for 20,000 shares.

One shareholder did not pay the first call money on 6,000 shares which she paid with the final call. Another shareholder holding 2,000 shares did not pay the final call money till the end of the accounting year. Show journal entries.

Turn over

26. The following are the balances of Adarsh Ltd. as on 31/03/2019 :

Debits	Amount	Credits	Amount
Premises	30,72,000	Share Capital(Rs.100 shares)	40,00,000
Plant	33,00,000	12 % Debentures	30,00,000
Stock	7,50,000	Profit and Loss A/c	2,62,500
Debtors	8,70,000	Bills payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash in hand	4,06,500	Sales	41,50,000
Calls in arrear	75,000	General reserve	2,50,000
Interim dividend paid	3,92,500	Provision for bad debts	35,000
Purchases	18,50,000	(01/04/2018)	
Preliminary expenses	50,000		
Wages	9,79,800		
General expenses	68,350		
Salaries	2,02,250		
Bad debts	21,100		
Debenture interest paid	1,80,000		
	1,24,67,500		1,24,67,500

Additional information :

- (1) Depreciate plant by 15 %.
- (2) Write off Rs. 5,000 from preliminary expenses.
- (3) Half year's debenture interest due.
- (4) Create 5 % provision for bad debts.
- (5) Provide for income tax @ 50 %.
- (6) Stock on 31/03/2019 was Rs. 9,50,000.

Prepare final accounts of the company for the year ended 31/03/2019.

27. Explain the advantages and disadvantages of adopting IFRS in India.

(2 × 10 = 20 marks)

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Name.....

Reg. No.....

**SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2022**

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2019—2020 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer all the questions.**2 marks each.**Max. 25 marks.*

1. What do you mean by Employees Stock Option Scheme ?
2. What is statement of affairs in single entry system ?
3. How do you treat depreciation in the preparation of final accounts ?
4. What is calls in arrears ?
5. What is bonus issue ?
6. What is minimum subscription ?
7. What do you mean by GAAP ?
8. What is surrender of shares ?
9. Define accounting standards.
10. What is annulment of forfeiture ?
11. State the objectives of IASB.
12. What is a registered debenture ?
13. What do you mean by IFRS convergence ?
14. Define a company.
15. What do you mean by sweat equity shares ?

(15 × 2 = 30 Maximum ceiling 25 marks)

Turn over

Section B*Answer all the questions.**5 marks each.**Max. 35 marks.*

16. Distinguish shares and debentures.
17. What are the advantages of single entry system of accounting ?
18. What are the features of IFRS ?
19. From the following information, calculate total purchase made during the year 2020 :

Creditors (01-01-2020)	20,400
Creditors (31-12-2020)	29,700
Cash paid to creditors	17,000
Discount received	5,900
Return outward	8,200
Bills payable given	14,000
Cash purchase	12,000

20. AB Ltd. Issued 5,000 shares of Rs.10 each at a premium of Rs.2, payable Rs.3 on application, Rs.4 on allotment (including premium), Rs.3 on first call and Rs.2 on second and final call. Miss. Amrutha was allotted 50 shares. Give the necessary journal entry relating to forfeiture in each of the following alternative cases.

Case 1 : If Amrutha failed to pay the allotment money and her shares were forfeited.

Case 2 : If Amrutha failed to pay allotment money and on her subsequent failure to pay the first call, her shares were forfeited.

Case 3 : If Amrutha failed to pay the first call and on her subsequent failure to pay the final call, her shares were forfeited.

21. Arjun Ltd issued 4,000, 11% debentures of Rs. 10 each at Rs. 12 per debenture payable as :

Application	Rs. 3
Allotment	Rs. 5 (including premium)
First and Final call	Rs. 4

Pass journal entry.

22. X Ltd. Issued 5,000 shares of Rs. 10 each at a premium of Rs. 5 per share. The amount was payable as Rs. 3 on application, Rs. 7 on allotment (including premium) and the balance on first and final call. All shares were subscribed by the public and all money duly received. Show journal entries.
23. From the following information, prepare surplus / deficit in the statement of profit and loss.

Net profit for the year	2,50,000
Balance of statement of P & L of the previous year	10,00,000
10% Preference Share Capital	5,00,000
Equity Share Capital	4,00,000
Transfer to Debenture Sinking Fund	51,500

The Board of Directors have proposed 15% dividend on equity shares.

(8 × 5 = 40 Maximum ceiling 35 marks)

Section C

Answer any **two** of the following.
10 marks each.

24. Mr.Kishore keeps his books under single entry system and the following information is available.

Particulars	01-01-2020	31-12-2020
Furniture	200	200
Stock	2,800	3,050
Debtors	2,100	3,400
Cash	150	200
Creditors	1,750	1,900
Bills payable	-----	300
Loan	----	500
Investments	----	1,000

He has drawn out of the business Rs. 500 during the year. Prepare a statement showing his profit for the year ended 31-12-2020 after writing off 10% depreciation on furniture and making a provision for bad debts at 10% on debtors.

25. A company issued 10,000 equity shares of Rs. 10 each at a premium of Rs. 3 per share, payable Rs.4 on application, Rs. 5 on allotment (including premium) and Rs. 4 on first and final call. Subscriptions were received for 13,000 shares. The excess money was refunded and the allotment money was received in full.

Turn over

The first and final call was made in due course and the amount due was received with the exception of 100 shares. These shares were forfeited and subsequently re-issued as fully paid for a consideration of Rs. 8 per share.

Show journal entries recording the above transactions.

26. The following is the trial balance of Ram Cement Co. Ltd. on 31/03/2019 :

Debits	Amount	Credits	Amount
Stock (01/04/2018)	75,000	Sales	3,50,000
Purchases	2,45,000	P&L A/c(31/03/2018)	15,030
Wages	50,000	Share capital (10,000 Equity	
Furniture	17,000	shares of Rs.10)	1,00,000
Salaries	7,500	Sundry creditors	17,500
Rent	4,950	Reserve fund	15,500
Sundry expenses	7,050	Discount received	5,000
Dividend paid	9,000		
Debtors	37,500		
Machinery	29,000		
Cash in hand	10,200		
Cash at bank	6,000		
Patents and trademarks	4,830		
	5,03,030		5,03,030

Adjustments :

- (1) Stock on 31/03/2019 was worth Rs. 82,000.
- (2) Depreciate fixed assets at 10%.
- (3) Make provision for income tax @ 50%.

Prepare the final accounts for the year ended 31/03/2019.

27. What are accounting standards ? Explain the need and importance of global accounting standards.

(2 × 10 = 20 marks)

C 22021

(Pages : 4)

Name.....

Reg. No.....

SECOND SEMESTER (CBCSS-UG) DEGREE EXAMINATION, APRIL 2022

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2021 Admissions)

Time : Two Hours and a Half

Maximum Marks : 80

Section A

*Answer any **ten** questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 30.*

1. What is reserve capital ?
2. List any four IFRS.
3. Explain under subscription.
4. What is double entry system of accounting ?
5. Expand SOPL and SOFP.
6. What do you understand by reissue of forfeited shares ?
7. What is a cumulative preference share ?
8. What is a debenture ?
9. What is fraction shares ?
10. What do you mean by principle of objectivity ?
11. What is allotment of shares ?
12. State the objectives of Ind-AS.
13. What are current liabilities ?
14. What do you mean by financial reporting ?
15. Define accounting standards.

(10 × 3 = 30 marks)

Section B

*Answer any **five** questions.
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.*

16. Explain the different types of debentures.
17. Distinguish single-entry and double-entry system of accounting.
18. What are the objectives of accounting standards ?

Turn over

19. From the following data, ascertain total sales :—

	₹
Balance of debtors on 01-01-2020 ...	24,000
Sales returns ...	10,000
Cash received from customers ...	90,000
Discount allowed to them ...	6,000
Bills receivable received ...	34,000
Bad debts ...	3,000
Bills receivable dishonoured ...	7,000
Balance of debtors on 31-12-2020 ...	20,000
Cash sales ...	50,000

20. Arjun Ltd. issues 1,00,000 equity shares of Rs. 10 each at a premium of 20 % payable as Rs. 2 on application, Rs. 7 on allotment (including premium) and Rs. 3 on first and final call. The company received applications for 2,85,000 shares. It deals with them in the following manner :

- Applications for 25,000 shares receives the full allotment.
- The applicants for 2,25,000 shares receive one share for every three shares applied for.
- It rejects the applications for 35,000 shares.

The company duly receives the entire amount. Pass necessary journal entries.

21. Vivek Ltd. took over assets worth Rs. 5,00,000 and liabilities of Rs. 1,34,000 of Midhun Traders for the purchase consideration of Rs. 3,96,000. Vivek Ltd. paid the purchase consideration by issuing debentures of Rs. 100 each. Give journal entries in the books of Vivek Ltd. assuming that debentures are issued at 10 % premium.

22. AB Ltd. issued 5,000 shares of Rs. 10 each at par, payable Rs. 3 on application. Rs. 2 on allotment, Rs. 3 on first call and Rs. 2 on final call. Mrs. Smitha was allotted 50 shares. Give the necessary journal entries relating to the forfeiture of shares in the following alternative cases.

Case 1 : If Smitha failed to pay the allotment money and her shares were forfeited.

Case 2 : If Smitha failed to pay allotment money and on her subsequent failure to pay the first call, her shares were forfeited.

Case 3 : If Smitha failed to pay the first call and on her subsequent failure to pay the final call, her shares were forfeited.

23. A company carried forward a balance of Rs.40,000 from the P & L A/c for the year ended 31-03-2019. During the year 2019-20 it made a further profit of Rs. 3,10,000 before providing taxation. It was decided that the following decisions may be carried out :

- Provision for taxation Rs. 1,50,000.
- Dividend equalisation reserve Rs. 25,000.
- Dividend on 8 % preference shares of Rs. 2,00,000.

- (d) Dividend at 15 % on 30,000 equity shares of Rs. 10 each fully paid.
- (e) General expenses Rs. 35,000.
- (f) Development rebate reserve Rs 35,000.

Show journal entries.

(5 × 6 = 30 marks)

Section C

*Answer any two questions.
Each question carries 10 marks.*

24. From the following details, you are required to ascertain profit or loss made by a trader during the year ended 31-12-2020 and to prepare the statement of affairs as on that date :

<i>Particulars</i>		31-12-2019	31-12-2020
Cash in hand	...	700	850
Cash at bank	...	2,500	3,000
Stock in trade	...	25,000	30,000
Sundry debtors	...	30,000	40,000
Sundry creditors	...	15,000	12,000
Plant and Machinery	...	80,000	1,00,000
Furniture	...	30,000	25,000

During the year the trader has withdrawn Rs. 2,000 per month to meet his family obligations. Depreciate machinery at 10 % and furniture at 5 %. As regards debtors Rs. 1,000 are irrecoverable and a provision of 2 % is to be created.

25. A company issued 10,000 equity shares of Rs. 10 each at a premium of Rs. 3 per share, payable Rs. 4 on application, Rs. 5 on allotment (including premium) and Rs. 4 on first and final call. Subscriptions were received for 13,000 shares. The excess money was refunded and the allotment money was received in full.

The first and final call was made in due course and the amount due was received with the exception of 100 shares. These shares were forfeited and subsequently re-issued as fully paid for a consideration of Rs. 8 per share.

Show journal entries recording the above transactions.

26. Malabar Manufacturing Company was registered with an authorised capital of Rs. 10,00,000 divided into shares of Rs. 10 each, of which 40,000 shares had been issued and fully paid. The following is the trial balance on 31-03-2019 :

<i>Particulars</i>		Debit	Credit
Stock (01-04-2018)	...	1,86,420	
Returns	...	12,640	9,810
Manufacturing expenses	...	19,240	
18 % Bank loan (secured)	...		50,000

Turn over

	4		
Office salaries	...	13,000	
Director's remuneration	...	12,000	
Freehold premises	...	1,64,210	
Furniture	...	5,000	
Debtors and Creditors	...	1,64,400	92,200
Cash at bank	...	1,06,860	
Profit and Loss A/c (01-04-2018)	...		8,640
Share capital	...		4,00,000
Purchases and Sales	...	7,18,210	11,69,900
Wages	...	1,09,740	
Carriage inward	...	4,910	
Interest on bank loan	...	4,500	
Audit fees	...	1,250	
Preliminary expenses	...	6,000	
Machinery	...	1,28,400	
Loose tools	...	12,500	
Cash in hand	...	1,920	
Advance payment of tax	...	14,290	
Commission	...	8,640	
Transfer fee	...		40
Rates and electricity	...	17,610	
Repairs	...	8,610	
Carriage outward	...	9,260	
Calls in arrears	...	1,000	

Prepare final accounts for the year ended 31-03-2019 after considering the following :—

- On 31-03-2019, outstanding wages and salaries stood at Rs. 1,890 and Rs. 1,200 respectively. On the same date, stock was valued at Rs. 1,24,840 and loose tools at Rs. 10,000.
- Provide interest on bank loan for 6 months.
- Depreciate machinery by 15 % and furniture by 10 %.
- Write off one-third of preliminary expenses.
- Make a provision for income tax at 50 %.
- Provide Rs. 8,500 on debtors for doubtful debts.
- Provide further Rs. 3,120 for discount on debtors.
- The directors recommended a dividend at 15 % for the year ending 31-03-2019 after a transfer of 5 % on net profit to general reserve.

27. What are accounting standards ? Explain the need and importance of global accounting standards.

(2 × 10 = 20 marks)

C 4322

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2021**

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Give two merits of single entry systems.
2. What do you mean by conversion method ?
3. How is profit calculated under single entry accounting system ?
4. What are capital reserve and reserve capital ?
5. Distinguish equity shares from preference shares.
6. When shares can be issued for a consideration other than cash ? Site an example.
7. What do you mean by surrender of shares ?
8. Can debenture be issued at discount ?
9. Are calls in advance part of share capital ?
10. What is the process of forfeiture of shares ?
11. What is an indenture agreement ?
12. State the role of the NFRA.
13. Is Ind. AS applicable for private companies ?
14. What is SOCE in Ind. AS ?
15. Find out the profit or loss If opening capital is ₹ 40,000, closing capital is ₹ 90,000, withdrawals is ₹ 5,000 and additional capital brought in is ₹ 10,000.

(10 × 3 = 30 marks)

Turn over

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. What are the components of IFRS ?
17. Explain the accounting treatment of corporate dividend tax.
18. State the reasons for convergence to IFRS.
19. John keeps his books by single entry system. His position on 1st January 2018 was as follows :
Cash at bank ₹. 5,000, Machinery and plant 6,500, Cash in hand ₹. 1,000, Bills receivable ₹. 2,600, Stock ₹. 7,000, Creditors ₹. 2,500, Sundry debtors ₹. 8,400, Bills payable ₹. 4,000.
- On 31st December 2018 his position was as under : Cash at bank ₹. 4,300 ; Machinery and plant ₹. 6,500 ; Cash in hand ₹. 1,700 ; Bills receivable ₹. 3,200 ; Stock ₹. 9,000 ; Creditors ₹. 1,600 ; Sundry debtors ₹. 6,000 ; Bills payable ₹. 3,200 ; During the year a introduced further capital of ₹. 2,000 and his drawings were ₹. 800 per month. Depreciate machinery and plant by 5 % and create a reserve for bad and doubtful debts at 5 %. From the above information prepare a statement showing the profit and loss made by him for the year ended 31st December 2018.
20. Malabar Ltd. issued 5,000 shares of ₹. 10 each at a premium of ₹. 2 payable as ₹. 3 on application, ₹. 4 on allotment (incl. premium), ₹. 3 on first call and ₹. 2 on final call. Mr. Ajay was allotted 50 shares and who failed to pay allotment money and first call. Give journal entries, if those shares were forfeited.
21. Journalize the following transactions at the time of issue of debenture of Rs. 100.
- A debenture issued at Rs. 95, repayable at ₹ . 100.
 - A debenture issued at Rs. 95, repayable at ₹. 105.
 - A debenture issued at Rs. 100, repayable at ₹. 105.
 - A debenture issued at Rs. 105, repayable at ₹. 100.
 - A debenture issued at Rs. 102, repayable at ₹. 105.

22. Ascertain credit sales and purchases from the following figures :

Debtors	₹.	Creditors	₹.
Opening balances	10,800	Opening balances	5,900
Cash received	36,850	Cash paid	24,800
Discount allowed	2,000	Discount received	450
Bad debts written-off	450	Returns	540
Returns	800	Bills payable issued	2,860
Bills receivable received	8,400	Closing balances	6,200
Bills receivable dishonoured	600		
Closing balance	8,700		

23. Kairali Ltd. issued 20,000 shares of ₹ 10 each at a discount of 10 % payable as ₹ 2 on application, ₹ 3 on allotment and ₹ 4 on first and final call. Applications were received for 20,000 shares and all these were accepted. All money due was received. Show the journal and cash book of the company.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Explain the Scope of IFRS in detail.
25. Kerala Ltd. was registered with a Nominal Capital of ₹ 8,00,000 divided into 8,000 shares of ₹ 100 each. Out of this, 5,000 shares were issued to the public, payable as to ₹ 25 on application, ₹ 30 on allotment, ₹ 20 on first call and the balance after 3 months. Applications were received for 4,000 shares and the directors made the Allotment in full. All money up to allotment was duly received. At the time of first call a shareholder on 100 shares did not pay the first call but he paid it with final call. Another shareholder who was allotted 150 shares paid them up in full. Show the necessary journal entries to record the above transactions and how the entries in the Balance Sheet.

Turn over

26. 'A Ltd. took over assets worth ₹. 5,00,000 and liabilities of ₹. 1,34,000 of Midhun Traders for the purchase consideration of ₹. 3,96,000. The company paid the purchase consideration by issuing debentures of ₹. 100 each. Give journal entries in the books of A Ltd. assuming that debentures are issued (a) at 10 % premium ; and (b) at 10 % discount.
27. The following is the TB of Ram Cement Co.Ltd on 31-3-2018 :

Debit	₹.	Credit	₹.
Stock (1-4-2017)	75,000	Sales	3,50,000
Purchases	2,50,000	PL A/c (31-3-2017)	15,030
Wages	50,000	Share capital (10,000 equity	
Furniture and fittings	17,000	shares of ₹. 10 each)	1,00,000
Salaries	7,500	Sundry creditors	17,500
Rent	4,950	Reserve Fund	15,500
Sundry Expenses	7,050	Discount received	5,000
Dividend paid	9,000		
Debtors	37,500		
Machinery	29,000		
Cash in hand	10,200		
Cash at Bank	6,000		
Patents and Trade Mark	4,830		
	5,03,030		5,03,030

Adjustments :

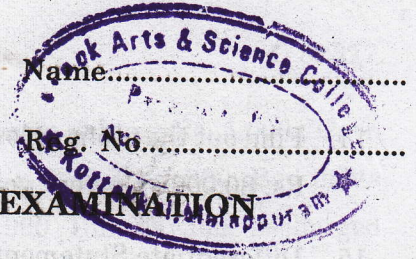
- (1) Stock on 31-03-2018 was worth ₹. 82,000 ;
- (2) Depreciation fixed assets at 10 % ;
- (3) Make provision for income-tax at the rate of 50 %.

Prepare SOPL for the year ended 31-03-2018 and the SOFP as on that date in the prescribed new form. Assume Tax @ 50 %.

(2 × 10 = 20 marks)

C 82377

(Pages : 4)



**SECOND SEMESTER B.Com./B.B.A. DEGREE EXAMINATION
APRIL 2020**

(CBCSS—UG)

B.Com.

BCM 2B 02—FINANCIAL ACCOUNTING

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

Answer all questions. (2 marks each) (Max. 25 Marks)

1. What is the importance of Single Entry System ?
2. Can a trial balance be prepared under single entry system.
3. What do you mean by reserve capital ?
4. On which value of debentures interest is calculated.
5. What is compulsorily convertible preference share ?
6. What do you mean by minimum subscription ?
7. What is ESOS ?
8. What do you mean by under-subscription of shares ?
9. What do you mean by non-convertible debentures ?
10. What do you mean by private placement of shares ?
11. What are International Financial Reporting Standards (IFRS) ?
12. What are the advantages of IFRS to Investors and investment institutions ?
13. What is the recognition criterion of an asset ?

Turn over

14. Find out the profit or loss from the information given : Opening capital Rs. 50,000 ; Closing capital Rs. 80,000 ; Current year drawings Rs. 6,000 ; Addition to capital during the year Rs. 10,000.
15. Differentiate Statement of Affairs from Balance Sheet.

Section B

Answer all questions. (5 marks each) (Max. 35 Marks)

16. Why is FASB important ?
17. Explain the meaning of measurement principle and state the bases of measurement.
18. Distinguish between IAS 1. and Ind. AS 1.
19. Hindustan Ltd. was registered with a nominal capital of Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each. The company issued 10,000 shares at par, payable Rs. 20 on application, Rs. 30 on allotment, Rs. 20 on first call and Rs. 30 on final call. All the shares were subscribed by the public and amounts duly received. Pass journal entries in the books of the company.
20. VC Ltd. Issued Rs. 2,00,000 10 % Debentures at 95 %. Subscriptions are payable as to Rs. 40,000 on applications and the balance on allotment. Expenses of the issues are Rs. 1,000. Show the journal entries and the Balance Sheet of the company.
21. For the year ended 31.3.2018, provision for income tax has been made for Rs. 80,000. Advance payment of tax for that year amounted to Rs. 60,000 and tax deducted at source on income earned by the company amounted to Rs. 3,500. On 12.10.2018, the assessment was completed and the tax liability came to Rs. 94,000. Advance payment of tax for the year ending 31.3.2019 was Rs. 68,000. The company made provision for taxation for the year ending on 31.3.2019 amounted to Rs. 1,00,000. Show the necessary ledger accounts for the year ending 31.3.2019.
22. From the following facts supplied by Mr. Rao who keeps his books on single entry system, you are required to calculate the total purchase and total sales :

<i>Balance on :</i>		1/1/2018	31/12/2018
		Rs.	Rs.
Bills payable	...	5,000	6,000
Creditors	...	4,000	8,000
Bills receivable	...	10,000	16,000
Debtors	...	7,000	6,000

Further information for the year 2018 is as follows: Cash received from debtors Rs. 5,000 ; Cash paid to creditors Rs. 40,000 ; Discount allowed Rs. 200 ; Discount received Rs. 300; Bad debts written-off Rs. 400, Returns inwards Rs. 700 ; Returns outwards Rs. 900 ; Bills payable discharged Rs. 500 ; Bills receivable dishonoured Rs. 1,000 ; Cash Sales Rs. 10,000 ; Cash purchase Rs. 8,000.

23. From the following information find out opening stock : Sales Rs. 2,00,000 ; Gross Profit 25 % on cost of sales; Purchases Rs. 1,50,000 ; Closing Stock Rs. 25,000.

Section C

Answer any two of the following. (10 marks each)

24. What do you mean by IFRS Adoption / IFRS Convergence ? Explain the need for convergence.
25. Ashirvad Ltd. issued 5,000 shares of Rs. 10 each at par payable as : on application Rs. 3 per share, on allotment Rs. 2 per share, on first call Rs. 3 per share on second and final call Rs. 2 per share. Mr. Ben was allotted 50 shares. Give journal entries relating to the forfeiture of shares in the following alternative cases :
- Case. 1 If Ben failed to pay allotment money and his shares were forfeited.
- Case. 2 If Ben failed to pay allotment money and on his subsequent failure to pay the first call, his shares were forfeited.
- Case. 3 If Ben failed to pay the first call and on his subsequent failure to pay the final call, his shares were forfeited.
26. Sajeev commenced a business on 1st January 2018, with a capital of Rs. 25,000. He immediately bought furniture for Rs. 6,000. During the year, he borrowed Rs. 15,000 from his wife and introduced further capital of his own amounting to Rs. 9,500. He had withdrawn Rs. 900 at the end of each month for family expenses. On 31.3. 2018 his position was as follows : Cash in hand Rs. 600, Cash at Bank Rs. 7,800, Sundry debtors Rs. 14,400, Stock Rs. 20,400, Bills receivable Rs. 4,800, Sundry creditors Rs. 1,500, Rent due Rs. 450. Furniture is to be depreciated by 10 %. Ascertain the profit or loss made by Sajeev during 2018.

Turn over

27. From the given below details, prepare statement of comprehensive income of Visak Ltd. for the year ended 31.3.2018, using (i) Single statement method ; and (ii) Two statements method.

Particulars	Amount
	Rs.
Administrative expenses	 30,00,000
Change in the fair value of hedging instruments	... 38,00,000
Cost of sales	... 50,00,00,000
Distribution costs	... 5,00,00,000
Exchange differences on translating foreign operations	... 1,02,60,000
Finance costs	... 1,00,00,000
Losses on hedging instruments	... 7,20,000
Revenue from operations	... 64,50,00,000

Note : Assume income tax @ 25 %