D 142655 **(Pages : 4)** **Name..............................**

Reg. No................................

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

BBA 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. State the importance of Accounting.
2. What are the advantages of Hire Purchase System ?
3. Write short notes on Forfeited Shares.
4. What is a Trading Account ?
5. What is Branch Accounting ?
6. What is Going Concern entity concept ?
7. What do you mean by Prepaid expenses ?
8. What are the features of 'dependent branches' ?
9. Explain the importance of GAAP.
10. State the differences between Hire Purchase and Instalment System.
11. X and Y were partners sharing partners profits in the ratio of 3 : 2. They admitted P and Q as new partners. X surrendered 1/3rd of his share in favour of P and Y surrendered 1/4th of his share in favour of Q. Calculate the new profit sharing ratios of X, Y, P and Q.
12. Write notes on stock and debtors system.
13. Comment on the advantages of debentures.
14. What is Partnership Deed ?
15. Write short notes on Down Payment.

(15 × 2 = 30 marks; Maximum ceiling 25 Marks)

Section B

Answer **all** *questions.*
Each question carries 5 *marks.*

16. Write short notes on 'Stock and Debtors System'.
17. Mention the significance of Accounting Standards.

Turn over

18. Prepare Branch Account in the books of the Head Office from the following information assuming that the sales at branch are on cash basis. All figures are in Rupees :

    Opening stock at the branch—30,000

    Goods sent to branch—90,000

    Cash sales—1,20,000

    Expenses met by Head office :

    Salaries—10,000

    Other expenses—4,000

    Closing stock could not ascertained, but it is known that the branch usually sells at cost plus 20 % the branch manager is entitled to a commission of 5 % on the profit of the branch before charging such commission.

19. On 1st January, 2020 the provision for Bad Debts showed a credit balance of Rs. 3,600. During the year the bad debts amounted to Rs. 2,800. The debtors on 31st December, 2020 amounted to Rs. 96,000 and a provision of 5 % for Doubtful Debts was maintained. In 2020, the bad debts amounted to Rs. 1,200 and the debtors at the end of the year amounted to Rs. 40,000 on which a provision of 5 % for bad debts was to be maintained. Make journal entries and prepare Provision for Doubtful Debts Account. Also show how these items are to appear in the Profit and Loss Account and Balance Sheet of the respective years.

20. Explain the importance of GAAP.

21. X purchased a machinery on hire purchase system. The cash price of the machine was Rs. 74,500. He paid Rs. 20,000 on signing of the agreement and the rest in three annual instalments of Rs. 20,000 each. Calculate interest for each year.

22. Following balances are given in the Trial Balance

		Dr. (Rs.)	Cr. (Rs.)
Sundry Debtors	...	1,82,000	—
Commission	...	—	38,000
Rent	...	—	12,000
Carriage Due	...	—	2,000
Wages	...	12,000	
Salaries	...	9,000	
Plant Machinery	...	2,00,000	
Bad debts	...	18,000	

Adjustments :

(a) Wages outstanding Rs. 4,000.

(b) Salary prepaid Rs. 2,000.

(c) Rent receivable Rs. 6,000.

(d) Commission received in advance Rs. 8,000.

(e) Depreciate Plant and Machinery at 10 %.

(f) Further Bad debts Rs. 2,000.

Show how the above items will appear in Final Accounts.

23. Sagar Ltd. issued 10,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as : On application Rs. 2 ; On allotment Rs. 5 (including premium Rs. 2); On First Call Rs. 3 ; On Final Call Rs. 2. The shares were fully subscribed and all moneys due were received except first call money on 300 shares and final call money on 400 shares. Pass necessary journal entries.

(5 × 8 = 40 marks; Maximum ceiling 35 Marks)

Section C

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

24. Rohit transporter purchased a truck on hire purchase from Indus motors for Rs. 56,000. The truck was purchased on 1st Jaunary, 2013. Payment to be made Rs. 15,000 down cash and three instalments of Rs. 15,000 each at the end of each year. Rate of interest charged is 5 % per annum. Buyer depreciates assets at 10 % per annum on written down value method. On account of some financial difficulties, Rohit transporters after having paid the down cash and the first instalment at the end of the first year could not pay the second instalment and Indus Motors took possession of the truck. Prepare (a) Truck Account and (b) The Seller's Account in the books of the buyer assuming that the year ends on 31st December.

25. A trader in Mumbai has a branch of Kochi to which he transacts goods at cost plus 25 %. All expenses are paid from the Head Office. The Kochi branch maintains its own Sales ledger and remits all cash received to the Head Office everyday. The transactions of the branch during the year 2023 were as follows :

		Rs.
Stock (1-1-23) at I.P.	...	11,000
Debtors (1-1-23)	...	100
Petty cash (1-1-23)	...	100
Cash sales	...	2,650
Credit sales	...	23,950
Goods sent to Branch at I.P.	...	20,000
Collection on ledger accounts	...	21,000
Goods returned to H.O. at I.P.	...	300
Bad debts	...	300
Allowances to customers	...	250
Returns inwards	...	500

Turn over

Cheque sent to branch :		
Rent	...	600
Wages	...	200
Salary and other expenses	...	900
Stock (31-12-23) at I.P.	...	13,000
Debtors (31-12-23)	...	2,000
Petty cash (31-12-23) including miscellaneous income Rs. 25 not remitted	...	125

Prepare Branch Trading and Profit and Loss Account and Branch Account for the year ending 31-12-2023.

26. The following is the Balance Sheet of A and B, a partnership business as at 31st December 2014 :

Liabilities		Rs.	*Assets*		Rs.
Creditors	...	40,000	Cash at bank	...	12,000
Capitals A ... 48,000			Plant and Machinery	...	50,000
			Furniture	...	10,000
			Stock	...	40,000
			Debtors	...	30,000
		1,42,000			1,42,000

The partners decided to revalue the assets and liabilities as under on the admission of partner C on 1-1-2015 who brings in Rs. 30,000 as capital : Plant and Machinery Rs. 60,000; Debtors Rs. 27,000; Furniture Rs. 9,500; and Stock Rs. 36,000. An amount of Rs. 3,000 included in creditors is no longer a liability and hence requires to be properly adjusted and Rs. 2,000 is to be paid to the creditors which is not recorded in the books. A contingent liability of Rs. 500 not included in the above Balance Sheet had to be cleared. Show the Revaluation Account, Partner's Capital Accounts and the Balance Sheet after C's admission.

27. What are Bonus Shares and Rights shares ? Comment on the accounting procedure for recording the issue of Bonus Shares and Rights Shares in different contexts.

(2 × 10 = 20 marks)

D 124385 **(Pages : 5)** **Name.......................................**

Reg. No...................................

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

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2019 Syllabus)

Time : Two Hours and a Half Maximum : 80 Marks

Section A

All questions can be attended.
Each question carries 2 marks.

1. Explain the meaning of Accounting.
2. What are the features of Hire Purchase system ?
3. Write short notes on Calls in arrears.
4. What is Profit and Loss Account ?
5. State the advantages of Branch Accounts.
6. What is Money Measurement concept ?
7. What do you mean by Accrued Income ?
8. Write short notes on Types of Branches from accounting point of view.
9. Define GAAP.
10. Differentiate between Hire Purchase and Instalment System.
11. A, B,C and D are in partnership sharing profits and losses in the ration of 36 : 24 : 20 : 20 respectively. E joins the partnership for 20 % share. A, B, C and D would, in future, share profits among themselves as 3/10,4/10, 2/10 and 1/10 respectively. Calculate new profit sharing ratio after E's admission.
12. Write notes on Branch adjustment account.
13. Comment on the advantages of Equity Shares.

Turn over

14. What is Oversubscription ?

15. Write short notes on Hire Purchaser.

(15 × 2 = 30 Marks, Maximum Ceiling 25 Marks)

Section B

All questions can be attended.
Each question carries 5 marks.

16. Write short notes on 'Branch Profit and Loss Account'.

17. Discuss the scope of Accounting Standards.

18. Give journal entries for the following transactions in the books of head office and at Tirupur branch :

    (a) Goods sent by the Head office on 28^{th} December worth Rs. 1,500 to its Tirupur Branch and not received by the branch upto 31^{st} December.

    (b) Goods sent by Ernakulam branch to Tirupur Branch for Rs. 2,000 are yet to be recorded.

    (c) Tirupur Branch paid Rs. 3,000 for a machine purchased by the Head office.

    (d) Provide depreciation at 10 % on branch furniture (Rs. 20,000) when Tirupur Branch account is remitted in the head office books.

19. Pass necessary adjusting entries in Shri Raman's Journal on 31^{st} March, 2020 :

    (a) The stock on 31^{st} March, 2020 of raw materials was of the value of Rs. 4,00,000 and that of finished goods of Rs. 3,50,000.

    (b) Rs. 30,000 for Wages and Rs. 10,000 for Printing were outstanding.

    (c) Rs. 12,000 for Insurance (Personal) and Rs, 20,000 for Income Tax were paid in advance.

    (d) Write-off Depreciation on machinery Rs. 80,000 and on Building Rs. 30,000.

    (e) Rs. 25,000 were received in advance for commission.

    (f) Rs. 1,000 is interest accrued on investment.

    (g) Rs. 11,000 were bad debts during the year.

    Before making the above adjustments his net profit for the year ended on 31^{st} March, 2020 was Rs. 2,15,000,what will be net profit for the year after making the adjustments.

20. Discuss the accounting concepts with examples.

21. Mr. X purchased a machinery under hire purchase arrangement from Mr. Y. The cash price of the machinery was Rs. 15,500. The payment for the purchase are to be made as - on signing the agreement Rs. 3,000 ; First year end Rs. 5,000 ; Second year end Rs. 5,000 ; Third year end Rs. 5,000. Make necessary ledger accounts in the books of both the parties charging depreciation at 10 % on diminishing balance method.

22. Following balances are given in the Trial Balance :

	Dr (Rs.)	Cr (Rs.)
Capital	-	100,000
Drawings	20,000	-
Bad debts	1,200	-
Sundry Debtors	20,500	-
Provision for Doubtful Debts	-	2,000
Salaries Outstanding	-	1,000
Prepaid Insurance	-	200
Interest on Investment Account	-	500
Commission received in advance	-	400

Adjustments :

(a) Further Bad debts Rs. 500

(b) Make Provision for Doubtful Debts at 5 % on Sundry Debtors

(c) Interest on Capital Rs. 10,000

(d) Interest on Drawings Rs. 1,000

Show how the above items will appear in Final accounts.

23. G Ltd. issued 20,000 shares of Rs. 10 each at a discount of 10 % payable as : On application Rs. 3 ; On allotment Rs. 4 ; On Final Call Rs. 2. Public applied for 22,000 shares of which 2,000 applications were rejected. All moneys due were received except on 500 and 600 shares who failed to pay on allotment and calls respectively. Pass necessary journal entries.

(8 × 5 = 40 Marks, Maximum Ceiling 35 Marks)

Turn over

Section C

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

24. Anto Distributors Ltd. sold a motor car to Unico Travel Agency on hire purchase on terms as to payment requiring four annual instalments of Rs. 28,200 at the end of each year commencing from the date of agreement on 1st January, 2012. The rate of interest was taken at 5 % per annum and the interest is included in the annual payment of Rs. 28,200. Show Ledger Accounts in the books of Unico Travel Agency who defaulted in the payment of the third yearly instalment whereupon the vendor re-possessed the car. Unico Travel Agency was to provide depreciation on the motor car at 10 % per annum on the straight line method.

25. Following is the Balance Sheet of A and B, whose share of profit and losses as 3 : 2 respectively as at 31st December, 2014 :

Liabilities			Rs.	*Assets*		Rs.
Capital	A	35,000	65,000	Debtors	20,000	19,000
Reserve			10,000	Plant and Machinery		20,000
Creditors			25,000	Stock		10,000
				Land and Building		30,000
				Bank		11,000
				Cash		10,000
Total			1,00,000			1,00,000

On 1st January 2015, C joins the firm and brings in the following assets :

Stock Rs. 21,000 ; Investments Rs. 12,000 ; Cash Rs. 15,000 ; Debtors Rs. 10,000

Following were agreed upon :

(a) The new profit sharing ratio among A, B and C will be equal.

(b) The capital of the partners should also be equal taking C's capital as base.

(c) The reserve of the new firm will be Rs. 15,000.

(d) Provision for doubtful debts is to be v = created at 10 % on total debtors.

(e) An investment provision of Rs. 2,000 is to be created.

You are required to prepare the Balance sheet of the new firm.

26. From the following particulars taken from the Chennai branch of a concern, prepare its Branch account in the books of Head Office for the year ending 31.03.2023 :

Opening Balances on 01.04.22

Stock at Branch - Rs. 37,500

Debtors at branch - Rs. 75,000

Petty cash at branch - Rs. 750

Goods sent to Branch - Rs. 6,30,000

Cash sales - Rs. 1,50,000

Cash received from Debtors - Rs. 5,25,000

Goods returned by Branch - Rs. 5,000

Credit sales - Rs. 5,70,000

Cheque sent to Branch :

Salaries - Rs. 22,500

Rent and taxes - Rs. 3,750

Petty cash - Rs. 2,750

Closing Balances on 31.3.2023 :

Stock at Branch - Rs. 62,500

Debtors at Branch - Rs. 1,20,000

Petty cash at branch - Rs. 500

27. What is a Debenture ? Comment on the accounting procedure for recording the issue of debentures in different contexts.

(2 × 10 = 20 marks)

516908

D 103695 **(Pages : 4)** **Name.......................................**

Reg. No..................................

SECOND SEMESTER (CBCSS–UG) DEGREE EXAMINATION

APRIL 2024

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2019—2023 Admissions)

Time : Two Hours and a Half Maximum : 80 Marks

Section A

All questions can be attended.
Each question carries 2 marks.

1. State the objectives of Accounting.
2. What is meant by Hire Purchase system ?
3. Write short notes on Share Premium.
4. What is a Balance Sheet ?
5. State the objectives of Branch Accounting.
6. What does Business entity concept means ?
7. What do you mean by Outstanding Expenses ?
8. Write short notes on Branch Adjustment Account ?
9. What do you mean by Accounting Standards ?
10. Distinguish between Hire Purchase and Instalment System.
11. A and B are partners sharing profits in the ratio of 3 : 2. C is admitted as a new partner. The new profit sharing ratio among A. B and C is 5 : 3 : 2. Find the sacrificing ratio.
12. Write notes on Debtors System.
13. Comment on the advantages of Preference Shares.
14. What do you mean by Repossession ?
15. Write short notes on Hire Vendor.

(15 × 2 = 30 Marks, Maximum ceiling 25 Marks)

Turn over

516908

Section B

All questions can be attended.
Each question carries 5 marks.

16. Differentiate between a 'dependent branch' and an 'independent branch'.

17. Discuss the advantages of Accounting Standards.

18. Ram and Bros of Kochi has its Branch at Calicut. The following transactions are being made for the year ended 31st March 2022.

    Stock at the branch at the beginning of the year - Rs. 18,000

    Petty cash balance at the beginning of the year - Rs. 30

    Goods sent to branch during the year - Rs. 80,000

    Remittances to branch for :

    Salaries - Rs. 3,000

    Rent - Rs. 4,000

    Petty cash - Rs. 170

    Cash remittance by branch (cash sales) - Rs. 130,000

    Stock at branch on 31.03.2022 - Rs. 21,000

    Petty cash balance on 31.03.2022 - Rs. 40

    Give journal entries in the books of Head Office.

19. Pass Journal Entries under the following circumstances :

    (a) A, B and C are partners sharing profits and losses in the ratio of 3 : 2 : 1. C retires from the business, the value of goodwill has been agreed at Rs. 60,000. At present, goodwill appearing in the books at Rs. 90,000. After, retirement, no goodwill is to be shown.

    (b) X, Y and Z are partners sharing profits and losses of 4 : 3 : 2. Z retires from the business. The value of goodwill is Rs. 90,000. Goodwill appearing in the Balance Sheet at Rs. 54,000. X and Y decided to share profits and losses in the ratio of 3 : 1.

20. Briefly explain the accounting concepts which are widely accepted.

21. X purchased a machinery on hire purchase system. The cash price of the machine was Rs. 3,60,000. He agrees to pay four quarterly installments of Rs. 1,00,000 each. Calculate interest for each quarter.

22. M/s A, B and C who shares profit and losses in the ratio of 3 : 2 : 2 arranges for a joint life policy of the partners of Rs. 50,000 from 5.3.2012 in order to provide for the repayment of the deceased partner's share. The annual premium of Rs. 1,000 is debited to the Joint Policy Account. The premia were paid on 5th March of every year and the last of such premium was paid in 2015. The surrender values of the policy in the various years are: 2012-Nil ; 2013-Rs.100 ; 2014-Rs. 250. A died on 14.4.2015 and the policy amount was secured in full on 30.4.2015. Show the Joint Life Policy Account and the Joint Life Policy Reserve Account assuming that the accounts were closed on 30th April every year.

23. X Ltd. Issued 10,000, 8 % Debentures of Rs.10 each. Pass necessary journal entries in each of the following conditions :

    (a) Issued at par and redeemable at par.

    (b) Issued at 5% discount and redeemable at par.

    (c) Issued at par and redeemable at a premium of 10 %.

    (d) Issued at 5% discount and redeemable at 10 % premium.

    (e) Issued at 6% discount and redeemable at 6 % premium.

(8 × 5 = 40 Marks, Maximum ceiling 35 Marks)

Section C

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

24. On 1st January 2010 Laxman Associates bought two trucks for Rs. 800,000 under hire purchase system from Hira Traders. Laxman paid Rs. 200,000 immediately and the balance was to be paid in three annual instalments of Rs. 200,000 each together with interest at 20 % per annum. Laxman paid the instalment due up to the end of 2011 but could not pay the next as a result one truck was repossessed for Rs. 140,000 by adjusting its value against the amount due. Laxman depreciated the trucks at 20 % diminishing balancing method. Prepare important ledger Accounts in the books of Laxman.

25. From the following Trial Balance of Mr.Midhin as on 31st March 2022, prepare Trading and profit and loss account taking into account the adjustments.

Debit Balances	Rs.	Credit Balances	Rs.
Building	62,000	Capital	62,000
Patents	7,500	Sales	98,780

Turn over

Debit Balances	Rs.	Credit Balances	Rs.
Stock 1.4.2021	5,760	Return Outwards	500
Debtors	14,500	Creditors	6,300
Purchases	40,675	Bills Payable	9,000
Cash at bank	3,170		
Return Inwards	680		
Wages	13,210		
Carriage on Purchases	2,040		
Salaries	21,800		
Drawings	5,245		
TOTAL	1,76,580		1,76,580

Adjustments :

(a) Stock on 31.3.2022 was Rs. 6,800.

(b) Salary outstanding Rs. 1,500.

(c) Depreciate patents at 20 %.

(d) Create a provision of 2 % on debtors for bad debts.

26. A Head office in Delhi has two branches at Mumbai and at Chennai. Goods are consigned to them at loaded figures of 10 % and 20 % on cost respectively. Invoices to the branches are Rs. 44,000 and Rs. 60,000 respectively. Included in the item Rs. 44,000 are invoices for goods costing Rs. 12,000 invoiced to Mumbai branch at Rs. 13,200 which should have been invoiced to Chennai branch. Sales are all for cash, being Mumbai branch Rs. 22,000 and Chennai branch Rs. 50,400. It may be presumed that the closing stocks are correct. Prepare the following accounts in the books of Head Office.

(a) Branch Stock account ;

(b) Goods sent to Branch account ; and

(c) Branch Adjustment account.

27. What is an Equity Share ? Comment on the accounting procedure for recording the issue of equity shares in different contexts.

(2 × 10 = 20 marks)

C 43116 **(Pages : 5)** **Name.......................................**

Reg. No..................................

SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION APRIL 2023

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2019—2022 Admissions)

Time : Two Hours and a Half Maximum : 80 Marks

Part A

Answer the following questions.
Each question carries 2 marks.

1. What is meant by an accounting or financial year ?
2. What do you mean by the Convention of Consistency ?
3. What do you mean by gaining ratio and sacrificing ratio ?
4. List out any *two* features of independent branches.
5. What do you mean by redeemable and irredeemable debentures ?
6. What do you mean by Over Subscription ?
7. What is meant by posting ?
8. What do you mean by Right issue ?
9. List out any *four* uses or importance of accounting.
10. What is a partnership deed ?
11. What do you mean by a share and share capital ?
12. What are Accounting Standards ?
13. Why balance sheet is also called a 'position statement' ?
14. List out any *two* differences between hire purchase and sale.
15. What do you mean by Goodwill ?

(15 × 2 = 30, Maximum ceiling 25 Marks)

Turn over

Part B

Answer the following questions.
Each question carries 5 marks.

16. A and B are partners in the firm sharing profits and losses in a ratio of 5 : 3. A surrenders $1/20^{th}$ of his share, whereas B surrenders $1/24^{th}$ of his share in favour of C, a new partner. Find the new profit-sharing ratio.

17. Distinguish between Hire Purchase and Instalment System.

18. Thameem and Binu had a firm in which they had invested ₹ 50,000. On an average, the profits were ₹ 18,000. The normal rate of return in the industry is 15 %. Goodwill is to be valued at four years purchase of profits in excess of profits @ 15 % on the money invested. Calculate the value of goodwill.

19. Give adjusting entries for the following :

    a) Outstanding salary of Rs. 8,000

    b) Rent received in advance Rs. 6,900

    c) Provision for doubtful debts Rs. 8,800

    d) Depreciation @ 5 % on a machine costing Rs. 18,000.

    e) Interest accrued Rs. 4,500.

20. Renuk purchased 4 cars of 15000 each on hire purchase system the hire purchase price for all the 4 cars was 80,000 to be paid 20000 down and 3 instalments of 20,000 each at the end of each year interest is charged @ 5 % p.a, buyer depreciates cars @ 10 % p.a on the straight-line method.

    After having paid the down payment and first instalment, the buyer could not pay 2^{nd} instalment and the seller took possession of three cars at an agreed value to be calculated after depreciating cars at 20 % p.a on the written down value method and one car was left with the buyer. Calculate the value of the asset taken by the seller as well as the value of the asset left with the buyer.

21. List out the differences between a trial balance and a balance sheet.

22. Q Ltd. issued 1,00,000 12 % Debentures of 100 each at a discount of 10 % payable in full on application by 31^{st} May 2021. Applications were received for 1,20,000 debentures. Debentures were allotted on 9^{th} June 2021. Excess money was refunded on the same date. Pass necessary Journal Entries.

23. In the absence of a partnership deed, specify the rules relating to the following:

    a) Sharing of profits and losses.

    b) Interest on partner's capital.

    c) Interest on Partner's drawings.

    d) Interest on Partner's loan.

    e) Salary to a partner.

(8 × 5 = 40, Maximum ceiling 35 Marks)

Part C

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

24. What do you mean by Accounting Concepts ? What are the various Accounting Concepts ?

25. The RAK Ltd Calicut has a branch in Kannur. The head office pays all expenses except petty expenses which were met by the branch. All cash received by the branch was remitted to the head office daily. The following are the transactions between head office and branch during the year ending 31^{st} December 2021.

Particulars	Amount
Stock at branch 1^{st} January 2021	14,000
Branch debtors on 1^{st} January 2021	4,000
Petty cash on 1^{st} January 2021	400
Goods sent to the branch during the year	60,000
Cash sales	80,000
Credit sales	40,000
Cash received from the debtors	32,000
Goods returned by the branch	2,000
Returns from customers	3,000

Turn over

Particulars		Amount
Cheque sent to branch for expenses :		
Salary	6,000	
Rent	2,000	
Petty cash	1,000	9,000
Stock at the branch on 31st December 2021		8,000
Branch debtors on 31st December 2021		9,000
Petty cash at the branch on 31st December 2021		600

Prepare the Kannur Branch account in the Calicut office books.

26. XYZ Limited invited applications for 15,000 shares of Rs. 10 each issued at Rs. 11.50 payable as follows :

a) On application 1st July Rs. 7.50 per share

b) On allotment on 31st July Rs. 2.00 per share

c) On First and Final Call on 31st August Rs. 2.00 per share

Applications were received for 18,000 shares and it was decided to deal the same as follows in arrangement with Stock Exchange authorities :

(a) To refuse allotment to applicants for 800 shares.

(b) To give full allotment to applicants for 2,200 shares.

(c) To allot the remaining shares pro-rata among other applicants.

(d) To utilise the surplus received on the application in part payment of amounts due on allotment. An applicant to whom 40 shares were allotted, failed to pay the amount due on the First and final Call and his shares were forfeited on 31st October These shares were reissued on 5th November as fully paid at Rs. 9 per share.

Give necessary journal entries.

27. Prepare the trading and profit and loss account and a balance sheet from the following particulars :

Account	Amount	Account	Amount
Sundry Debtors	1,00,000	Bills Payable	85,550
Bad Debts	3,000	Sundry Creditors	25,000
Trade Expenses	2,500	Provision for Bad Debts	1,500
Printing and Stationery	5,000	Return Outwards	4,500
Rent, Rates and Taxes	3,450	Capital	2,50,000
Freight	2,250	Discount Received	3,500
Sales Return	6,000	Interest Received	11,260
Motor Car	25,000	Sales	1,00,000
Opening Stock	75,550		
Furniture and Fixture	15,500		
Purchase	75,000		
Drawings	13,560		
Investments	65,500		
Cash in Hand	36,000		
Cash at Bank	53,000		
	4,81,310		**4,81,310**

Adjustments :

- Closing stock was valued at Rs. 35,000.
- Depreciation charged on furniture and fixture @ 5 %.
- Further bad debts Rs. 1,000. Make a provision for bad debts @ 5 % on sundry debtors.
- Depreciation charged on motor car @ 10 %.
- Interest on drawings @ 6 %.
- Rent, rates and taxes was outstanding Rs. 200.
- Discount on debtors 2 %.

(2 × 10 = 20 marks)

C 23813 **(Pages : 4)** **Name.......................................**

Reg. No...................................

SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2022

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2019—2020 Admissions)

Time : Two Hours and a Half Maximum : 80 Marks

Part A

Answer the following questions.
Each question carries 2 marks.

1. What is a Ledger ?
2. What do you mean by the Realization concept ?
3. What is a Trading Account ?
4. Define Accounting.
5. What is meant by Accrued income ?
6. What is authorised share capital or nominal capital ?
7. What do you mean by a real account ? Give an example.
8. What is meant by a debenture ?
9. What do you mean by Pro-rata allotment ?
10. List out any four objectives or functions of accounting.
11. What is meant by independent branches ?
12. What do you mean by a Hire Purchase System ?
13. What is meant by Calls-in-Arrears ?
14. What is a bonus share ?
15. Define Partnership.

(15 × 2 = 30, Maximum ceiling 25 marks)

Turn over

Part B

Answer the following questions.
Each question carries 5 marks.

16. The ABC Trading Company Ltd. Bangalore has a branch in Mangalore. The head office pays all expenses except petty expenses which were met by the branch. All cash received by the branch was remitted to the head office daily. The following are the transactions between head office and branch during the year ending 31st December 2021 :

Particulars			*Amount*
Stock at branch 1st January 2021		...	14,000
Branch debtors on 1st January 2021		...	4,000
Petty Cash on 1st January 2021		...	400
Goods sent to the branch during the year		...	60,000
Cash sales		...	80,000
Credit sales		...	40,000
Cash received from the debtors		...	32,000
Goods returned by the branch		...	2,000
Returns from customers		...	3,000
Cheque sent to branch for expenses :			
Salary	6,000		
Rent	2,000		
Petty cash	1,000	...	9,000
Stock at the branch on 31st December 2021		...	8,000
Branch debtors on 31st December 2021		...	9,000
Petty Cash at the branch on 31st December 2021		...	600

Prepare the Mangalore Branch account in the Bangalore office books.

17. Deepika purchased a printer on Hire Purchase system. She is required to pay 3,200/- down, 1,600/ at the end of the first year and 1,200/- at the end of the second year and 2,800/- at the end of the third year. Interest is charged at 10 % p.a. calculate the cash price and interest of each instalment.

18. Briefly explain the steps involved in an accounting cycle or the accounting process.

19. A and B are partners sharing profits in the ratio of 3 : 1. C is admitted for the 1/8th share of the profits. Find the new profit-sharing ratio.

20. If Debtors = Rs. 60,000. Bad debts = Rs. 600, provision for bad debt = 10 % on debtors, discount on debtors = 4 %, Calculate the amount of provision for discount on debtors.

21. List out the differences between the shares and debentures.

22. MM Ltd. invited applications for issuing 7,500, 12 % Debentures of ₹ 100 each at a premium of ₹ 35 per debenture. The full amount was payable on the application. Applications were received for 10,000 Debentures. The allotment was made to all the applications on pro-rata. Pass necessary Journal entries for the above transactions.

23. Give adjusting entries for the following :

    a) Outstanding salary of Rs. 5,000

    b) Rent received in advance Rs. 7,500

    c) Provision for doubtful debts Rs. 9,000

    d) Depreciation @ 15 % on a machine costing Rs. 10,000.

    e) Interest accrued Rs. 2,500.

(8 × 5 = 40, Maximum ceiling 35 Marks)

Part C

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

24. What do you mean by Goodwill ? Explain the various methods of valuation of Goodwill.

25. Prepare the trading and profit and loss account and a balance sheet from the following particulars :

Account	Amount	Account	Amount
Sundry Debtors	2,00,000	Bills Payable	171,100
Bad Debts	6,000	Sundry Creditors	50,000
Trade Expenses	5,000	Provision for Bad Debts	3,000
Printing and Stationery	10,000	Return Outwards	9,000
Rent, Rates and Taxes	6,900	Capital	5,00,000

Account	Amount	Account	Amount
Freight	4,500	Discount Received	7,000
Sales Return	12,000	Interest Received	22,520
Motor Car	50,000	Sales	2,00,000
Opening Stock	1,51,100		
Furniture and Fixture	31,000		
Purchase	1,50,000		
Drawings	27,120		
Investments	1,31,000		
Cash in Hand	72,000		
Cash at Bank	1,06,000		
	9,62,620		9,62,620

Adjustments :

- Closing stock was valued at Rs. 70,000.
- Depreciation charged on furniture and fixture @ 10 %.
- Further bad debts Rs. 2,000. Make a provision for bad debts @ 10 % on sundry debtors.
- Depreciation charged on motor car @ 20 %.
- Interest on drawings @ 12 %.
- Rent, rates and taxes was outstanding Rs. 400.
- Discount on debtors 4 %.

26. Arun and Varun are partners in a firm sharing profits and losses in the ratio of 3 : 2. Their capitals were Rs. 1,20,000 and Rs. 80,000 as of January 01, 2021. During the year they earned a profit of Rs. 60,000. According to the partnership deed both the partners are entitled to Rs. 2,000 per month as Salary and 5 % interest on their capital. They are also to be charged an interest of 5 % on their drawings, irrespective of the period, which is Rs. 24,000 for Arun, and Rs. 16,000 for Varun. Prepare Partner's Accounts under the fixed capital method.

27. ABC Ltd. has an Authorized Capital of 10 lakhs of shares worth Rs. 10 each. The company issued 100,000 equity shares of Rs. 10 each at Rs. 2 Discount per share. The amount was payable as Rs. 2 on Application ; Rs. 3 on Allotment ; and Rs. 3 on Call. All monies due were received except the allotment monies for 2,000 shares. Show the Journal entries.

(2 × 10 = 20 marks)

C 22023 (Pages : 4) Name..................................

Reg. No..............................

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

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2021 Admissions)

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. What is meant by the Business Entity concept ?
2. What do you mean by called-up capital ?
3. What is an instalment system ?
4. What do you mean by journalizing ?
5. What is a Balance Sheet ?
6. What do you mean by a nominal account ? Give an example.
7. What is meant by Under Subscription ?
8. List out any four features of nature of accounting.
9. What do you mean by the Forfeiture of shares ?
10. What is meant by Depreciation ?
11. What do you mean by a trial balance ?
12. What are convertible and non-convertible debentures ?
13. What are Accounting Conventions ?
14. What do you mean by dependent branches ?
15. List out any two differences between Hire Purchase and Instalment System.

(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 various limitations of accounting ?

17. Give adjusting entries for the following :

    (a) Outstanding salary of Rs. 35,000.

    (b) Rent received in advance Rs. 5,500.

    (c) Provision for doubtful debts Rs. 3,000.

    (d) Provision for discount on creditors Rs. 7,000.

    (e) Interest accrued Rs. 2,500.

18. List out the differences between the Profit and Loss Account and Balance Sheet.

19. The partnership agreement between Mansoor and Maneesh provides that :

    (a) Profits will be shared equally.

    (b) Mansoor will be allowed a salary of Rs. 800 p.m.

    (c) Maneesh who manages the sales department will be allowed a commission equal to 10 % of the net profits, after allowing Mansoor's salary.

    (d) 7 % interest will be allowed on the partner's fixed capital.

    (e) 5 % interest will be charged on the partner's annual drawings.

    (f) The fixed capitals of Mansoor and Maneesh are Rs. 2,00,000 and Rs. 1,60,000 respectively. Their annual drawings were Rs. 32,000 and 28,000 respectively. The net profit for the year amounted to Rs. 80,000.

    Prepare the firm's Profit and Loss Appropriation Account.

20. On 1st April 2020 the balance of provision for bad and doubtful debts was Rs. 13,000. The bad debts during the year 2020-21 were Rs. 9,500. The sundry debtors as on 31st March, 2021 stood at Rs. 3,25,000 out of these debtors of Rs. 2,500 are bad and cannot be realized. The provision for bad and doubtful debts is to be raised to 5 % on sundry debtors.

    (a) Pass necessary adjustment entries for bad debts and its provision on 31st March, 2021.

    (b) Show the relevant items in the profit and loss account and Balance Sheet.

21. Asha purchased a printer on Hire Purchase system. She is required to pay 1,600 down, 800 at the end of the first year and 600 at the end of the second year and 1400 at the end of the third year. Interest is charged at 10 % p.a. calculate the cash price and interest of each instalment.

22. ABC Ltd. issued 40,000, 10 % Debenture of ₹ 100 each at par for cash payable in full along with the application. Applications were received for 60,000 debentures. Debentures were allotted and excess application money was refunded. Pass Journal entries in the books of the company.

23. The profit for the five years ending on 31st March are as follows :

Year		*Profit* ₹
2016	...	4,00,000
2017	...	3,98,000
2018	...	4,50,000
2019	...	4,45,000
2020	...	5,00,000

Calculate the goodwill of the firm on the basis of 4 years' purchase of 5 years' average profit.

(5 × 6 = 30 marks)

Section C

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

24. Define Partnership. What do you mean by a partnership deed ? Also, list out its contents.

25. Prepare Trading A/c, Profit and Loss A/c and Balance Sheet :

		₹			₹
Purchases	...	3,00,000	Sales	...	4,50,000
Opening stock	...	50,000	Rent	...	4,000
Carriage inwards	...	5,000	Creditors	...	40,000
Salaries	...	24,000	Provision for bad debts	...	1,000
Carriage outwards	...	8,000	Capital	...	2,75,000
Administrative expenses	...	25,000			
Debtors	...	50,000			
Bad debts	...	4,000			
Return inwards	...	10,000			
Land and buildings	...	2,40,000			
Cash in hand	...	4,000			
Cash at bank	...	50,000			
		7,70,000			7,70,000

Turn over

Addtional information :

(a) Closing stock 40,000.

(b) Further bad debts to be written-off 10,000.

(c) Provision for doubtful debts to be kept at 10 %.

(d) Charge depreciation on land and buildings at 10 %.

(e) Administrative expenses outstanding Rs. 5,000.

26. The Authorized capital of a company is 200,000 shares worth Rs. 10 each. In March 2021. 50,000 shares are issued for subscription at a Premium of Rs. 2 per share. The share money payable is as follows : Rs. 5 (including the premium of Rs. 2) with application Rs. 3 on Allotment Rs. 2 on First Call and Rs. 2 on Final Call. Pass Journal entries.

27. The ABC Trading Company Ltd. Cochin has a branch in Calicut. The head office pays all expenses except petty expenses which were met by the branch. All cash received by the branch was remitted to the head office daily. The following are the transactions between head office and branch during the year ending 31st December 2021 :

Particulars			*Amount*
			Rs.
Stock at branch 1st January 2021	...		28,000
Branch debtors on 1st January 2021	...		8,000
Petty cash on 1st January 2021	...		800
Goods sent to the branch during the year	...		1,20,000
Cash sales	...		1,60,000
Credit sales	...		80,000
Cash received from the debtors	...		64,000
Goods returned by the branch	...		4,000
Returns from customers	...		6,000
Cheque sent to branch for expenses :			
Salary	...	12,000	
Rent	...	4,000	
Petty cash	...	2,000	18,000
Stock at the branch on 31st December 2021	...		16,000
Branch debtors on 31st December 2021	...		18,000
Petty cash at the branch on 31st December 2021	...		1,200

Prepare the Calicut Branch account in the Cochin office books.

(2 × 10 = 20 marks)

C 4324 (Pages : 4) Name.......................................

Reg. No..................................

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

B.B.A.

BBA 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. What is Double Entry System ?
2. What do you mean by money measurement concept ?
3. What is posting ?
4. Show the accounting equation on the basis of following transaction :
   - i) Rajesh started business with cash Rs. 2,00,000.
   - ii) Purchased goods on credit Rs. 20,000.
   - iii) Paid rent Rs. 4,000.
5. What is deferred revenue expenditure ?
6. What are the sources for issue of bonus shares ?
7. What do you mean by hire purchase ?
8. What is bearer debenture ?
9. Give two advantages of installment system.
10. How do you treat 'Loss on stock by fire' in final accounts if the goods are not insured ?
11. Describe the term 'inter branch transaction'.
12. How will you deal the balance of forfeited shares account after the reissue of forfeited shares ?
13. What is wholesale branch system ?
14. A cycle, the cash price of which is Rs. 3,600 is sold on hire purchase system for Rs. 4,000 payable in four quarterly installment of Rs.1,000 each. The first payment is made at the end of first quarter. Show how the interest is calculated.
15. What do you mean by wasting assets ? Give an example.

(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. Define Accounting. What are the functions of accounting ?

17. Enter the following transactions in two column cash book of M/s. Binary electronics :

2019		
Sept.0	Cash in hand	Rs. 4,000
1	Cash at Bank	Rs. 10,000
5	Goods sold for cash	Rs. 2,500
10	Received a check from Thilak, on account of sales done	Rs. 2,000
11	The above check sent for collection	
15	Cash paid to Sunder	Rs. 5,000
20	Cash paid into Bank	Rs. 2,000
21	Draw a cheque for personal use	Rs. 1,000
23	Paid salary by cheque	Rs. 1,000
30	Cash withdrawn for office use	Rs. 1,200

18. On July 1, 2017, Hindustan Printers purchases a printing machine on hire purchase basis, payments to be made Rs. 10,000 on the said date and the balance in three half yearly installments of Rs. 8,200, Rs. 7,440 and Rs. 6,300 commencing from December 2017. The vendor charges interest at 10% per annum calculated on half year balances. Hindustan Printers close their books annually on 31st December. It provides depreciation at 10% per annum on diminishing balance. Show the hire vendors account.

19. Binary Ltd, had its issued capital comprising 20,000 equity shares of Rs. 10 each payable as Rs.2 on application, Rs. 3 on allotment (including premium) Rs. 3 on first call and Rs.3 on final call. The shares were called upto first call. All the money was received except from A and B. A holding 300 shares failed to pay allotment and first call money. B holding 100 shares failed to pay the first call money. All these shares were forfeited and reissued to C on payment of Rs. 6 per share, paid upto first call. Pass Journal entries for forfeiture and reissue of shares.

20. Distinguish between Hire purchase and Installment system.

21. On 1st January 2019, Raj and Amit started a partnership firm with a capital of Rs. 1,00,000 and Rs. 1,60,000 respectively. Raj introduced additional capital of Rs. 30,000 on July 1, 2019 and another Rs. 20,000 on October 31, 2019. Calculate interest on capital for the year ending 2019. The rate of interest is 6% p.a.

22. A Head Office invoices goods to its branches at 20% less than the list price which is cost plus 100%. Goods are sold to customers at list price. Form the following particulars ascertain the profit made by the head office and branch :

	Head Office	Branch
Stock in the beginning (at invoice price for branch)	30,000	1,600
Purchases during the year	2,56,000	--
Goods sent to branch	40,000	--
Sales	1,80,000	36,000
Expenses	32,000	5,000

23. The net profit of a firm, after taking into consideration all expenses except the manager's commission, is Rs. 60,000. The manager is entitled to a commission of 5% on profits. Calculate manager's commission if :

    i) The manager is entitled to a commission of 5% on profits before charging the commission.

    ii) The manager is entitled to a commission of 5% on profits after charging such commission.

(5 × 6 = 30 marks)

Section C

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

24. Given below is the Trial Balance of M/s Mayis, a Sole trader. Prepare Trading and Profit and Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date, after taking into consideration the additional information :

Trial Balance as on 31st March, 2020

Particulars	Amt. Rs.	Particulars	Amt. Rs.
Stock on 1st April, 2011	52,000	Provident fund	50,000
Sundry Debtors	84,000	Interest on P.F. Investment	2,800
Bad debts	3,000	Sundry Creditors	84,000
Premises	78,000	Rent Received	9,600
Salaries	28,000	Reserve for Doubtful Debts	2,000
Motor Vehicle	50,000	Discount received	3,600
Purchases	1,76,000	Sales	3,20,000
Provident Fund Investment	50,000	Capital A/c	1,00,000
Provident Fund contribution	5,500		
Wages	22,000		
Rent (for 10 months)	16,000		
Office Expenses	5,000		
Discount allowed	2,500		
	5,72,000		5,72,000

Turn over

Adjustments :

1) Stock on 31st March, 2020 was valued at Rs. 80,000.
2) Goods worth Rs. 6,000 were sold and despatched on 27th March, 2020, but no entry was made in the books of accounts.
3) Provide reserve for discount on debtors at 2% and on creditors at 3%.
4) Write off Bad debts of Rs. 4,000 and provide for reserve for doubtful debts at 5% on sundry debtors.
5) Outstanding wages Rs. 4,000 and outstanding salaries Rs. 3,066.
6) Depreciate Motor Vehicle at 5% p.a.

25. A Ltd. purchased a machinery on hire purchase system over a term of two years starting on 1st January 2017. The installments of Rs. 4,000 each, are payable half yearly. The present cash value of the machinery is Rs. 14,870 and the interest is charged at the rate of 6% p.a. The interest is calculated once in six months. Draft journal entries to record the transactions that take place in the books of A Ltd.

26. M/s Sangam Traders of Calicut have a branch at Kotayam. The following are the transactions for the year ended 31st March, 2019 :

	Rs.
Opening Balance (1-4-2018) -	
Stock	50,000
Debtors	40,000
Petty Cash	2,000
Goods sent to Brunch	1,50,000
Cash sent to Branch for -	
Salary	5,000
Rent	6,000
Petty Cash	5,000
Cash received from the Branch from -	
Cash Sales	1,50,000
Cash received from debtors	1,20,000
Closing Balances (31-3-2019)-	
Stock	25,000
Debtors	20,000
Petty Cash	1,000

Ascertain the Profit or Loss of Kotayam Branch under stock and debtors system assuming that goods sent at cost price.

(2 × 10 = 20 marks)

C 82379 (Pages : 7) Name..................................

Reg. No..................................

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

(CBCSS—UG)

B.B.A.

BBA 2B 02—FINANCIAL ACCOUNTING

(2019 Admissions)

Time : Two Hours and a Half Maximum : 80 Marks

Part A

Answer **all** *questions.*

1. What is Capital receipt ?
2. What do you mean by Realization concept ?
3. What is accounting cycle ?
4. Opening capital Rs. 1,00,000, Closing capital Rs. 1,70,000. Drawings during the year 5000. What is the profit for the year ?
5. What is accounting standards ?
6. What do you mean by Bonus Share ?
7. Give journal entries relating to issue of debentures at premium.
8. What is meant by Repossession ?
9. Describe the term installment purchase system.
10. Define Branch Accounting.
11. What is branch adjustment account ?
12. What is forfeiture of shares ?
13. How do you treat accrued income in final accounts ?
14. Mr. Raheem Purchased a truck on hire purchase system paying Rs. 10,000 down payment and Rs. 20,000 annually of 10 years. The rate of interest charged by the vendor is 5% p.a. determine the cash price of the truck. Given the present value of an annuity of Re. 1 for 10 years at 5% as 7.7217.

Turn over

15. Following are the extracts from the Trial Balance of Mr. C :

Trial Balance

		Dr. (Rs.)	Cr. (Rs.)
Sundry debtors	...	10,000	
Bad debts	...	400	
Reserve for bad and doubtful debts	...		1,450

Adjustment :

(i) Write-off further bad debts Rs. 500 ;

(ii) Create a provision for bad debts @ 5% of debtors ;

(iii) Also Create provision for discount on debtors at 2% on debtors. Find the amount of bad and doubtful debt to be shown in P and L a/c.

($15 \times 2 = 30$, Maximum ceiling 25 Marks)

Part B

Answer **all** *questions.*

16. Differentiate between Hire purchase and Installment purchase.

17. "Accounting is an information system". Explain.

18. From the following information prepare a Cash Book with cash and bank column :

2020				Rs.
January	1	Balance of cash b/d	...	1,000
		Bank overdraft	...	3,000
January	2	Sold goods for cash	...	6,000
January	3	Paid into bank	...	4,000
January	5	Gave cheque to Sasi	...	2,000
January	7	Received from Abiram cheque	...	1,300
January	9	Rent paid by cheque	...	300
January	12	Sold goods for cash and banked the same	...	1,500
January	13	Sent to bank Abiram's cheque for collection	...	1,300
January	14	Drawing from bank	...	400
January	15	Draw from bank for personal use	...	300

19. Tata Iron and Steel Company Ltd had a total subscribed capital of Rs. 10,00,000. In equity shares of Rs. 10 each of which 7.50 were called up. A final call of Rs. 2.50 was made and all amounts paid except the two calls of Rs. 2.50 each in respect of 100 shares held by Mr. Abi. These shares were forfeited and re-issued at Rs. 8 per share. Make journal entries necessary to record transactions of final call, forfeiture and reissue.

20. Mr. Anil purchased a motor bike on 1st January 2017 from AR Motors. The cash price was Rs. 56,000. The purchase is on hire purchase basis. Rs. 15,000 being paid on signing of the contract and thereafter Rs. 15,000 annually for 3 years. Interest was charged at 5%. Depreciation was written-off at the rate of 20% p.a. on the reducing balance. Show the AR Motors a/c and Bike a/c in the books of Anil.

21. The Kozhikode Branch of ID Food Product Ltd. Wayanad, send the following trial balance to Wayanad on 31st December 2019. Prepare Trading and Profit and Loss account in the books of Branch.

Kozhikode Branch Trial Balance

Particulars		Dr. (Rs.)	Cr. (Rs.)
Stock on 01-01-2019	...	20,000	
Furniture	...	3,000	
Goods from Wayanad	...	1,00,000	
Sales	...		1,74,000
Purchases	...	20,000	
Return to Wayanad	...		800
Sales return	...	2,000	
Salaries	...	12,000	
General expenses	...	2,000	
Rent	...	1,080	
Bad debt	...	320	
Carriage	...	300	
Sundry debtors	...	18,000	

Particulars		Dr. (Rs.)	Cr. (Rs.)
Sundry creditors	...		10,000
Bank balance	...	8,000	
Allowance to customers	...	400	
Bills receivable	...	8,000	
Head Office account	...		10,300
Total	...	1,95,100	1,95,100

22. Ajit, Choudhary and Vishal set up a partnership firm on January 1, 2019. They contributed 50,000, 40,000 and 30,000 respectively as their capitals and decided to share profits in the ratio of 3 : 2 : 1. The partnership deed provided that Ajit is to be paid a salary of Rs. 1,000 p.m. and Choudhary a commission of Rs. 5,000. It also provided that interest on capital be allowed @ 6% p.a. The drawings for the year were : Ajit 6,000, Choudhary 4,000 and Vishal 2,000. Interest on drawings 270 on Ajit's drawings, 180 on Choudhary's drawings and 90 on Vishal's drawings. The net amount of profit as per the profit and loss account for the year ended 2019 was 35,660.

    You are required prepare the profit and loss appropriation account and the partners' capital accounts.

23. The following balances appeared in the books of The Worth Ltd. On 01-04-2019 :

Sinking fund account	...	50,000
Sinking fund investment account		
(10% Government Securities, nominal value 45,000)	...	48,000
12% Debentures	...	1,00,000

    The company sold Rs. 30,000 Government Securities at 110% and utilized the amount to redeem part of the debentures at a premium of 10%. Show sinking fund account and sinking fund investment account.

(8 × 5 = 40, Maximum ceiling 35 Marks)

Part C

Answer any **two** *questions.*

24. From the following Trial Balance you are required to prepare a Trading and Profit and Loss A/c for the year ended 31st March, 2020 and a Balance Sheet as on that date, after taking into consideration the additional information.

Trial Balance as on 31st March, 2020

Particulars		Debit Amt.	Credit Amt.
		Rs.	Rs.
Sundry Debtors	...	45,000	
Postage	...	500	
Machinery	...	30,000	
Opening Stock	...	15,000	
Furniture	...	8,000	
Purchases	...	5,700	
Wages	...	11,000	
Salaries	...	17,000	
Rent Paid	...	7,000	
Bad debts	...	1,000	
Cash in hand	...	3,000	
Motor Car	...	26,000	
Capital A/c	...		50,000
Bills Payable	...		3,000
Creditors	...		9,000
Sales	...		1,50,000
Bank loan	...		8,000
Outstanding wages	...		500
Total	...	2,20,500	2,20,500

Turn over

Adjustments :

1 Closing stock had a cost of Rs. 45,000 whereas the market price was Rs. 60,000.

2 Outstanding expenses - Salaries Rs. 1,500, Wages Rs. 2,000, Rent 1,200.

3 Repairs to Machinery of Rs. 2,000 were wrongly debited to Purchases.

4 Depreciate Machinery and Furniture at the rate of 10% each.

5 Interest on bank loan payable was Rs. 1,800.

25. M/s Ganga and Co. of Ernakulam submits the following particulars regarding the branch transactions of its Kozhikode branch for the year ended March 31, 2020 :

		H.O.	Branch
Stock on 1-4-2005	...	72,000	28,800
Goods purchased during the year	...	4,18,000	—
Indirect expenses	...	21,800	3,900
Goods sent to branch at invoice price	...	1,29,600	—
Sales	...	3,78,000	1,45,800
Goods received by branch	...	—	1,29,600
Goods sold to regional store	...	79,200	

Generally goods are invoiced to branch and regional store at 20% below the list price. The list price is calculated at 80% above the cost. Goods are sold to the customers at the list price by the HO and the branch both.

You are required to prepare the Trading and Profit and Loss A/c of the head office and the branch for the year ended on March 31, 2020.

26. X purchased from Y three cars costing 1,00,000 each on hire purchase system. Payment was to be made ; Rs. 60,000 down and balance in three equal installments together with interest at 15% per annum. X provides depreciation at 20% per annum on diminishing balance method. X paid the first installment at the end of the first year but could not pay the second installment; Y took possession of all the three cars. He spent Rs. 18,000 on repairs and sold them for Rs. 1,50,000.

Show the necessary ledger account in the books of both the parties.

(2 × 10 = 20 marks)