

D 103693

(Pages : 4)

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 1<sup>st</sup> January 2003 with a capital of Rs. 25,000 : Rs. 20,000 brought in cash and the balance in the form of machinery. On 1<sup>st</sup> 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 31<sup>st</sup> December 2003 was as follows :

<i>Assets</i>	Rs.	<i>Liabilities</i>	Rs.
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 31<sup>st</sup> 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 1<sup>st</sup> 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 31<sup>st</sup>, 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 1<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> December 2021.

(2 × 10 = 20 marks)

D 103693-A

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BCM 2B 02—FINANCIAL ACCOUNTING

(2019—2023 Admissions)

(Multiple Choice Questions for SDE Candidates)

**Time : 15 Minutes****Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## Bcm2B 02—FINANCIAL ACCOUNTING

(Multiple Choice Questions for SDE Candidates)

1. Capital can be obtained by preparing :
  - (A) Cash book.
  - (B) Statement of affairs.
  - (C) Debtors A/c.
  - (D) Creditors A/c.
2. Single entry system cannot be a maintained by :
  - (A) Joint stock company.
  - (B) Partnership A/c.
  - (C) Sole-tradership A/c.
  - (D) All of these.
3. The shares on which there is no any pre-fixed rate of dividend is decided, but the rate of dividend is fluctuating every year according to the availability of profits, such share are called
  - (A) Equity Share.
  - (B) Non-cumulative preference share.
  - (C) Non-convertible preference share.
  - (D) Non-guaranteed preference share.
4. Unless otherwise stated, a preference share is always deemed to be
  - (A) Cumulative, participating and non-convertible.
  - (B) Non-cumulative, non-participating and non-convertible.
  - (C) Cumulative, non-participating and non-convertible
  - (D) Non-cumulative, participating and non-convertible
5. Issue of shares at a price lower than its face value is called :
  - (A) Issue at a Loss.
  - (B) Issue at a Profit.
  - (C) Issue at a Discount.
  - (D) Issue at a Premium.
6. Share Application'Account is in the nature of :
  - (A) Real Account.
  - (B) Personal Account.
  - (C) Nominal Account.
  - (D) None of the above.

7. From which account, expenses on issue of shares will be written off first of all :
- (A) Statement of Profit and Loss.
  - (B) Miscellaneous Expenditure Account.
  - (C) Share Issue Expenses Account.
  - (D) Securities Premium Reserve Account.
8. Pro-rata allotment of shares is made when there is :
- (A) Under subscription.
  - (B) Oversubscription.
  - (C) Equal subscription.
  - (D) As and when desired by directors.
9. A debenture holder is entitled to :
- (A) Fixed dividend.
  - (B) Share in profits.
  - (C) Voting rights in the company.
  - (D) Interest at the fixed rate.
10. On liquidation of company, principal amount of debentures is returned :
- (A) First of All.
  - (B) Last of All.
  - (C) Before Equity Capital.
  - (D) After Equity Capital.
11. Which of the following is not a characteristic of Bearer Debentures ?
- (A) They are treated as negotiable instruments.
  - (B) Their transfer requires a deed of transfer.
  - (C) They are transferable by mere delivery.
  - (D) The interest on it is paid to the holder irrespective of identity.
12. Which of the following statements is false ?
- (A) A Company can issue redeemable debentures.
  - (B) A Company can issue debentures with voting rights.
  - (C) A Company can issue convertible debentures.
  - (D) A Company can buy its own debentures and shares.

Turn over

13. The closing balance in the creditors account can be ascertained from the :
- (A) Cash account. (B) Total creditors account.  
(C) Closing statement of affairs. (D) None of these.
14. A newly established company cannot issue shares at :
- (A) Par. (B) Premium.  
(C) Discount. (D) None of these.
15. The difference between subscribed capital and called up capital is known as :
- (A) Paid up capital. (B) Uncalled capital.  
(C) Calls in advance. (D) Calls in arrears.
16. Which of the following should be deducted from the share capital to determine the paid up share capital ?
- (A) Calls in advance. (B) Calls in arrears.  
(C) Security premium reserve. (D) Discount on issue of shares..
17. Preliminary expenses is an example of :
- (A) Fixed asset. (B) Current asset.  
(C) Investment. (D) Fictitious asset.
18. Loose tools are shown in the B/S under the head.
- (A) Fixed asset. (B) Investment.  
(C) Current asset. (D) Miscellaneous expenditure.
19. Calls in arrear is :
- (A) Shown as current asset.  
(B) Deducted from share capital.  
(C) Shown as current liability.  
(D) Shown under miscellaneous expenditure.
20. Advance payment of tax should be shown on the :
- (A) Debit side of P/L A/c.  
(B) Debit side of the profit and appropriation account.  
(C) Asset side of the balance sheet.  
(D) Liability side of the balance sheet.