

Reg. No. :

Code No. : 10657 E

Sub. Code : CMBA 31/
CMAM 31

B.B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

Third Semester

Business Administration/Aviation Management – Core

FINANCIAL ACCOUNTING

(For those who joined in July 2021 – 2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The accounting equation is connected with
 - (a) Liabilities
 - (b) Assets only
 - (c) Revenue only
 - (d) Assets, Liabilities

2. Intangible assets come under
 - (a) AS26
 - (b) AS24
 - (c) AS23
 - (d) AS22

3. Rent a/c is a
(a) Real a/c (b) Personal a/c
(c) Nominal a/c (d) None of the above
4. Each transaction is first entered in the
(a) Ledger (b) Journal
(c) Trial balance (d) All of the above
5. Usings subsidiary books
(a) Increases clerical labour
(b) Reduces clerical labour
(c) Increases the clerical errors
(d) None of the above
6. The return of goods to a supplier should be credited to
(a) Supplier a/c (b) Goods a/c
(c) Purchase return a/c (d) Sales return a/c
7. Balance sheet is a statement of
(a) Profit
(b) Liabilities
(c) Financial position of the organization
(d) Assets

8. Assets are usually shown in the balance sheet
(a) Unexpired cost (b) Replacement cost
(c) Revalued cost (d) None of the above
9. Depreciation is generated due to
(a) Increase in the value of liability
(b) Decrease in capital
(c) Wear and tear
(d) Decrease in the value of assets
10. Depreciation is calculated under diminishing balance method based on
(a) Original value (b) Book value
(c) Scrap value (d) None of them

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Write short notes on
(i) Accrual concept
(ii) Cost concept.

Or

- (b) Explain the importance of "Money measurement concept."

12. (a) Distinguish between journal and ledger.

Or

(b) Prepare trial balance from the following:

Capital	9,000
Plant and Machinery	12,000
Purchases	8,000
Sales	12,000
Sundry Creditors	8,000
Bank loan	22,000
Rent out standing	1,000
Opening stock	2,000
Sales returns	4,000
Investments	14,000
Debtors	12,000

13. (a) Explain the procedure of 'posting' from subsidiary book.

Or

(b) Prepare a Three column cash book from the following

2021

March

- 1 Basker started business with cash 10,000
- 2 Opened a current account with the bank
- 3 Paid to Kannan by cheque 2,000
- 7 Cash sales 5,000
- 8 Anita paid into our Bank account directly 2,000
- 12 Paid wages 200
- 20 Drew from Bank 500

Page 4 Code No. : 10657 E

14. (a) Distinguish between Trading account and balance sheet.

Or

(b) Write a short notes on

- (i) Fictitious assets
- (ii) Liquid assets.

15. (a) A company acquired a machine on 1.1.2020 at a cost of Rs. 40,000 and spent Rs. 1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31st December of each year show the machinery a/c for 3 years.

Or

(b) A machine was acquired on 1st April 1992 at a cost of 2,70,000 the cost of installation being Rs. 30,000. It is expected that its total life will be 60,000 hours. During 1992, it worked for 15,000 hours and during 1993 for 24,000 hours, write up the machinery account for 1992 and 1993.

Page 5 Code No. : 10657 E

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

16. (a) What is accounting and its objectives?

Or

(b) Explain different uses of accounting information.

17. (a) The following particulars have been extracted from the books of Zahir Hussain. Y are required to enter them in his journal

1991 Jan	Rs.
1 Contributed capital	1,00,000
Paid for furniture	4,000
Paid into Bank	36,000
3 Bought Goods	17,000
Bought goods from Kamakshi mills	12,000
5 Sold m/s Priya mills Calcutta	18,000
6 Sold to Malan	8,000
8 Paid for advertisement	1,500
10 Bought stationery	500

Page 6 Code No. : 10657 E

1991 Jan	Rs.
12 Bought from Kasi mills Delhi	8,000
Paid for freight and carriage	500
15 Paid Kamakshi mills by cheque	11,800
Discount received	200
17 Cash sales	4,000
20 Received from Malan in full settlement of his account	7,850
21 Withdrew cash for personal use	2,000
28 Paid rent by cheque	1,000
29 Paid commission	600
31 Paid salaries	10,000

Or

(b) The following balance were extracted from the ledger of Ramakrishna Engineering works on 31st March 1997.

You are required to prepare a Trial balance as on that date in proper form.

	Rs.	Rs.	
Drawing	6,000	Salaries	9,500
Capital	24,000	Sales of return	1,000
Sundry creditors	43,000	Purchase return	1,100

Page 7 Code No. : 10657 E

	Rs.		Rs.
Bill payable	4,000	Traveling expense	4,600
Sundry Debtors	50,000	Commission paid	100
Bills receivable	5,200	Trading expense	2,500
Loan from Karthik	10,000	Discount earned	4,000
Furniture and fixture	4,500	Rent	2,000
Opening stock	47,000	Bank overdraft	6,000
Cash in hand	900	Purchases	70,800
Cash at bank	12,500		
Tax	3,500		
Sales	1,28,000		

18. (a) Write short notes on:

- (i) Inward invoice
- (ii) Outward invoice
- (iii) Debit note
- (iv) Credit note.

Or

(b) From the following information, you are required to write the petty cash book on imprest system for the month of October 1991.

1991 October 1 Amount of Imprest received from cashier Rs. 1,000 payments:

1991 October		Rs.
3	Typing paper	40
4	Office cleaning	20
6	Postage	50
8	Cartage	10
10	Postage	30
11	Ink	15
13	Type writer Rippen	50
15	Telegram	35
18	Cleaning	10
25	Windows panes	130
27	Postage	127
30	Stationery	150

19. (a) The following Trial balance of Arun as at 1st Dec. 1994 is given to you prepare final accounts:

Debit Balance	Rs.	Credit Balance	Rs.
Opening stock	15,500	Capital	90,000
Land and Buildings	35,000	Sundry creditors	9,600
Machinery	50,000	Purchase return	2,100
Furniture and Fixture	5,000	Sundry income	1,200
Purchase	1,06,000	Reserve for Bad debts	300
Salaries	11,000	Sales	2,07,000
General expenses	2,500		
Rent	3,000		
Postage and Telegrams	1,400		
Stationary	1,300		
Wages	26,000		
Freight on purchase	2,800		
Carriage on sales	4,000		
Repairs	4,500		
Sundry Debtors	30,000		
Bad Debt	600		
Cash in hand	100		
Cash at bank	6,400		
Sales Returns	5,100		
	<u>3,10,200</u>		<u>3,10,200</u>

Adjustments:

- (i) Wages outstanding Rs. 2,100.
- (ii) Included in General Expenses is insurance premium Rs. 600 paid for the year ending 31st March 1995.
- (iii) Provision of 5% on debtors for Bad debts is required.
- (iv) Depreciate land and buildings 2%, machinery 10% and furniture and fixtures 15%.
- (v) Closing stock value Rs. 14,900.

Or

- (b) The following are the balance in the ledger of Mr. Sherif for the year ended 31st March 1996.

	Rs.
Opening Stock :	
Raw materials	20,000
Work-in-progress	3,000
Finished goods	10,800
Purchase of Raw materials	50,000
Sales	2,40,000
Fuel and coal	1,000
Wages	32,000
Factory expenses	40,000

	Rs.
Office expenses	30,000
Depreciation on plant and machinery	3,000
Closing Stock :	
Raw materials	20,000
Work in progress	4,000
Finished goods	8,000

Prepare manufacturing and Trading Account for the year ended 31st March.

20. (a) Explain different methods of depreciation.

Or

- (b) A second hand machine was purchased on 1.1.90 for Rs. 30,000 and repair charges amounted to Rs. 6,000. It was installed at a cost of Rs. 4,000 on 1st July 1991, another machine was purchased for Rs. 26,000. On 1st July 1992 the first machine was sold for Rs. 30,000. On the same day; one more machine was bought for Rs. 2,500. On 31.12.92, the machine bought on 1st July 1991 was sold for Rs. 23,000. Accounts are closed every year. On 31st December. Depreciation is written off at 15% per annum.

Prepare the machinery A/c for 3 years ending 31.12.92.