

DCBB201



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II Semester B.B.A. (NEP) Degree Examination, October - 2022

BUSINESS ADMINISTRATION
Financial Accounting and Reporting
Paper : FAR
(CBCS Scheme Freshers)

Maximum Marks : 60

Time : 2½ Hours

Instructions to Candidates:

All answers should be written in English only.

Section - A

Answer any **Five** of the following questions. Each question carries **Two** marks. (5×2=10)

1. a. What do you mean by Trend analysis?
- b. State the different types of shares.
- c. What is 'fluctuating capital system'?
- d. What is 'Common size Income Statement'?
- e. Give four examples of Intangible assets.
- f. What is Quasi single entry system?
- g. Mention four advantages of single entry system.

[P.T.O.]



Section - B

Answer any **Four** of the following questions. Each question carries **Five** marks. (4×5=20)

2. Distinguish single entry system and double Entry system.
3. Lakshmi, Pathi and Naidu are partners sharing profits and losses in the ratio of 2:1:1, with capitals of Rs. 40,000, Rs. 20,000 and Rs. 20,000 respectively. According to their partnership deed, interest on capital is to be allowed at 8% p.a, interest on drawings to be charged at 12% p.a. Mr. Naidu to be paid a monthly salary of Rs. 500. Interest on drawings amounted to Rs. 500, Rs. 300 and Rs. 200 respectively for partners. The profit for the year before making above adjustments was Rs. 31,400.

Prepare profit and loss Appropriation Accounts.

4. The Udaya Trading company limited, with a registered capital of Rs. 1,00,000 issued 5,000 equity shares of Rs. 10 each, payable Rs. 2 on application, Rs. 2 on allotment, Rs. 3 on first and final call. All the shares were subscribed and the money duly received except the first call on 500 shares and the final call on 1,000 shares.

Give journal entries in the books of the company.

5. Anand motor company issued Rs. 50,000, 6% debentures of Rs. 100 each at a discount of Rs. 10 perdebenture payable as :

on application Rs. 30

on allotment Rs. 40

on first and final call Rs. 20

All the debentures were subscribed, called up and paid up. Pass necessary journal entries by recording the transactions in the books of the company

6. From the following information, interpret the results of manufacturing operations of Narayana Ltd. Using trend ratio.

Particulars	2018-19	2019-20	2020-21	2021-22
	Rs.	Rs.	Rs.	Rs.
Revenue from operations	200	180	240	300
Cost of goods sold	120	120	140	160
Other expenses	20	20	30	40
Taxes	30	20	35	50
Profit after taxes	30	20	35	50



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Section - C

Answer any Two of the following questions. Each question carries Twelve marks.

(2×12=24)

7. From the following trial balance of M/S Mahesh traders, prepare the final accounts for the year ended 31st March 2022.

Particulars	Debit (Rs.)	Credit (Rs.)
	50,000	-
Land and buildings	1,10,000	-
Purchases	40,000	-
Stock (1.4.2021)	1,500	2,500
Returns	10,000	-
Wages	9,000	-
Salaries	2,400	-
Office expenses	1,200	-
Carriage inwards	2,000	-
Carriage outwards	750	1,200
Discounts	1,200	-
Bad debts	-	2,05,000
Sales	-	80,000
Mr. Madhu's capital	-	50,000
Mr. Ramaiah's capital	1,500	-
Insurance	-	1,500
Commission	50,000	-
Plant and machinery	10,000	-
Furniture and fixtures	20,000	-
Bills receivable	40,000	-
Sundry debtors	-	25,000
Sundry creditors	1,500	-
Cash - in - hand	4,500	-
Cash - at - bank	12,000	-
Office equipment	-	2,350
Bills payable	-	-
Total	3,67,550	3,67,550

[P.T.O.]





The following adjustments are required :

1. Closing stock amounted to Rs. 60,000.
 2. Provide interest on capital at 5%.
 3. Outstanding liabilities : wages - Rs. 2,000, Rent - Rs. 3,000.
 4. Create a reserve at 5% on debtors for doubtful debts.
 5. Insurance premium pre - paid Rs. 200.
 6. Depreciate land and buildings at 5% plant and machinery at 10% office equipments, furniture and fixtures at 10%.
8. Prepare the final accounts of Hindustan Company Ltd. from the following trial balance as on 31st March 2022.

Particulars	Rs.
<u>Debit balances :</u>	
Calls - in - arrears	5,000
Premises	7,50,000
Machinery	1,50,000
Furniture	50,000
Purchases	6,80,000
Wages	1,25,000
Salaries	60,000
Interim dividend	20,000
Goodwill	2,00,000
Debtors	60,000
Bills receivable	38,000
Bad debts	2,000
Debenture Interest (upto 30.9.2022)	20,000
Stock on 1.4.2022	41,000
	<u>22,01,000</u>

Credit balances :

Share capital	5,00,000
Sales	10,00,000
Reserve fund	1,80,000
Profit and loss account	35,000
Creditors	75,000
10% debentures	4,00,000
Bills payable	10,000
Reserves for doubtful debts	1,000
	<u>22,01,000</u>

Adjustments :

1. The stock on 31.3.2022 was valued at Rs. 80,000.
2. Depreciate machinery and furniture by 10%.
3. Maintain Reserve for doubtful debts at 5% on debtors.
4. The directors proposed a final dividend at 15%.
5. The debenture interest is unpaid for 6 months.

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9. The following are the balance sheets of TVS Ltd. for the years ending 31.03.2021 and 31.3.2022.

Particulars	2020-21 (Rs.)	2021-22 (Rs.)
<u>Equity and liabilities :</u>		
Equity share capital	2,00,000	3,30,000
Preference share capital	1,00,000	1,50,000
Reserves	20,000	30,000
Profit and loss Account	15,000	20,000
Bank overdraft	50,000	50,000
Creditors	40,000	50,000
Provision for taxation	20,000	25,000
Proposed dividend	15,000	25,000
Total	4,60,000	6,80,000
<u>Assets :</u>		
Fixed assets	2,40,000	3,50,000
Stock	40,000	50,000
Debtors	1,00,000	1,25,000
Bills receivable	20,000	60,000
Prepaid expenses	10,000	12,000
Cash - in - hand	40,000	53,000
Cash - at - bank	10,000	30,000
Total	4,60,000	6,80,000

You are required to comment on the financial position of business with the help of comparative balance sheet techniques.

Section - D

Answer any One of the following questions, which carries Six marks. (1×6=6)

10. Prepare memorandum trading account with imaginary figures, showing calculation opening stock.
11. Pass journal entries for the following transactions.
 1. Ramya Ltd. Issued 6,000, 10% Debentures at par of Rs. 100 each repayable at par.
 2. Radha Ltd. issued 5,000, 14% debentures of Rs. 100 each at a discount of 5% to be repaid at par at end of 5 years.
 3. Chethan Ltd. issued 10% debentures of the total face value of Rs. 10,00,000 @ 105% to be redeemed at par.
 4. Darshan Ltd. issued Rs. 5,00,000, 12% debentures at par, but redeemable at the end of 05 years at 105%.
 5. Eshwar Ltd issued Rs. 5,00,000, 15% Debentures at a discount of 5% repayable at a premium of 10% at the end of 5 years.



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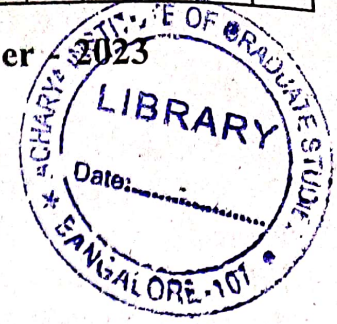
II Semester B.B.A. Degree Examination, September

BUSINESS ADMINISTRATION

Financial Accounting and Reporting

(NEP Scheme Freshers and Repeaters)

Paper : 2.1



Time : 2½ Hours

Maximum Marks :60

Instructions to Candidates:

Answer in English only.

SECTION - A

Answer any FIVE of the following questions. Each question carries 2 marks. (5×2=10)

1. a) What is pure single entry system?
- b) Mention four advantages of single entry system.
- c) What is debentures?
- d) What is partnership deed?
- e) What do you mean by shares issued at premium?
- f) What is statement of affairs?
- g) State the different types of shares?

[P.T.O.]





SECTION - B

Answer any FOUR of the following questions. Each question carries 5 marks.

(4×5=20)

2. M/s P, Q and R are partners sharing profits and losses in the ratio of 2:1:1, with capitals of Rs. 80,000, Rs. 40,000 and Rs. 40,000 respectively. According to their partnership deed, interest on capitals is to be allowed at 8% p.a. Interest on drawings to be charged at 12% p.a. Mr. R to be paid a monthly salary of Rs. 1,000. Interest on drawings amounted to Rs. 1,000, Rs. 600 and Rs. 400 respectively. The profit for the year before making the above adjustments was Rs. 62,800. Prepare profit and loss appropriation account.

3. Vikas company Ltd. Issued 10,000 shares of Rs. 10 each. The public subscribed for 8,000 shares and were fully allotted. The amount of each share was payable as under.

Rs. 2 per share on application.

Rs. 3 per share on allotment.

Rs. 2 per share on first call.

Rs. 3 per share on final call.

All the calls were made and the money was duly received except first call on 500 shares and final call on 1,000 shares.

Give journal entries in the books of the company.

4. The Reliance company Ltd. issued 50,000 debentures of Rs. 10 each. The amount was payable as follows.

Rs. 2 on application

Rs. 4 on allotment.

Rs. 2 on first call.

Rs. 2 on final call.

45,000 debentures were subscribed by the public. All the debentures were allotted and the money duly received. Pass journal entries.



5. Explain different types of share capital.
6. From the following information prepare a statement showing trend percentage

Assets	2015	2016	2017	2018
Cash	1,00,000	1,20,000	80,000	1,40,000
Debtors	2,00,000	2,50,000	3,25,000	4,00,000
Stock in trade	3,00,000	4,00,000	3,50,000	5,00,000
Other current assets	50,000	75,000	1,25,000	1,50,000
Land	4,00,000	5,00,000	5,00,000	5,00,000
Building	8,00,000	10,00,000	12,00,000	15,00,000
Plant	10,00,000	10,00,000	12,00,000	15,00,000
	28,50,000	33,45,000	37,80,000	46,90,000

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. From the following information prepare a comparative Balance Sheet and comment on the position.

Particulars	31 st March 2020	31 st March 2021
Equity share capital	4,00,000	6,00,000
Debentures	2,00,000	3,25,000
Sundry creditors	2,55,000	1,17,000
Bank overdraft	7,000	10,000

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Total Liabilities and Capital	8,62,000	10,52,000
Plant and Machinery	1,00,000	2,00,000
Land and Building	3,60,000	5,40,000
Investments	2,70,000	1,70,000
Sundry debtors	1,00,000	88,000
Cash in hand	32,000	54,000
Total Assets	8,62,000	10,52,000

8. From the following trial balance of M/s Nayak and shastry. Who share profits and losses equally, prepare the trading and Profit and Loss Account and Balance sheet as at 31st March 2021

Particulars	Debit(Rs.)	Credit (Rs.)
Nayak's capital	-	20,000
Shastry's capital	-	20,000
Nayak's Drawings	4,000	-
Shastry's Drawings	4,000	-
Machinery	20,000	-
Buildings	32,000	-
Debtors	10,000	-
Trade expenses	300	-
Stock on 01-04-2021	8,000	-
Salary	4,000	-
Rent for 11 months	2,200	-
Bad debts	500	-
Discount	460	560



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Returns	760	1600
Sales	-	78,000
Purchases	40,000	-
Commission	-	260
Furniture	2,000	-
Reserve for doubtful debts	-	800
Wages	7,000	-
Carriage	500	-
Over draft	-	3,000
Creditors	-	12,000
Cash	500	-
	1,36,220	1,36,220

Adjustments:

- i) Allow interest on capital and drawings at 5% and 4% respectively.
- ii) Depreciation on machinery and furniture at 10% and 5% respectively.
- iii) Salary is prepared to the extent of Rs. 100
- iv) One month rent is outstanding.
- v) Interest on overdraft outstanding Rs. 450
- vi) Reserve 6% of sundry debtors for doubtful debts.
- vii) Closing stock was valued at Rs. 25,000.

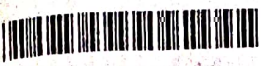
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9. From the following Trial Balance prepare final accounts of Nisha Trading Company Ltd. for the accounting period 31st March, 2022.

Particulars	Debit(Rs.)	Credit (Rs.)
Sales	-	6,54,000
General reserves	-	12,000
Opening inventories	58,400	-
Trade payables	-	25,890
Purchase of Goods	2,32,080	-
Depreciation on tangible assets	15,500	-
Trade receivables	85,000	-
Salary expenses	98,470	-
Provision for bad and doubtful debts	-	5,000
Cash and Cash equivalents	35,500	-
Tangible assets	1,55,000	-
Freight	48,880	-
Amortization on tangible assets	18,500	-
Sundry expenses	42,860	-
Share capital (equity shares of Rs. 100 each) -	-	2,50,000
P and L A/c	20,000	7,000
Power and fuel	54,200	-
Bad debts	3,500	-
Intangible assets	86,000	-
Total	9,53,890	9,53,890

**Adjustments :**

- i) Closing inventories Rs. 28,800
- ii) Create provision for taxation at 30%
- iii) Write off $1/5^{\text{th}}$ of preliminary expenses
- iv) Directors proposed dividend at 15% on share capital
- v) Write off Rs. 2,500 as bad debts and maintain RBDD at 10% on debtors.

SECTION - D

Answer any ONE of the following question. Which question carries 6 marks. (1×6=6)

10. State any six contents of partnership deed.
 11. Prepare Debtors A/c and Bills payable accounts with imaginary figures.
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