

C 4322

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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 1<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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)