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B.M.S COLLEGE FOR WOMEN AUTONOMOUS

BENGALURU – 560004

SEMESTER END EXAMINATION – SEPTEMBER 2023

B.B.A. – 2nd Semester

FINANCIAL ACCOUNTING & REPORTING

(NEP Scheme 2021-22 Onwards F+R)

Course Code: BBA2DSC05

Duration: 2 ½ Hours

QP Code: 2026

Max. marks: 60

SECTION-A
(Conceptual Questions)

1. Answer any FIVE of the following questions. Each question carries TWO Marks. (5X2=10)

- What is Single Entry system of book keeping?
- Define Partnership
- What do you mean by Issue of Shares at Premium?
- What is Oversubscription of Shares?
- Give the meaning of current liability.
- What is meant by Comparative Balance Sheet?
- What do you mean by Forfeiture of Shares?

SECTION- B
(Application Questions)

Answer any FOUR of the following question. Each question carries FIVE Marks. (4X5=20)

2. Mention the different types of Preference shares

3. Vijay and Varun commenced their business with Capital investment of ₹ 40,000 and ₹ 30,000 respectively on 1.4.2022. They agreed to share profits in the ratio of their opening Capitals. The Partnership Deed provides that Mr. Vijay is entitled for a salary of ₹4,000 per year. Interest on Capitals is to be allowed at 6% p.a. Their drawings during the year were: Vijay - ₹5,000 and Varun- ₹ 4,500, interest on the same being ₹ 250 and ₹ 150 respectively. The profit for the year ending 31st March 2023, amounted to ₹ 17,600 before the above-mentioned adjustments.

Prepare the Profit and Loss Appropriation Account.

4. Under which heading and sub-headings will the following items appear in the Balance Sheet of a company as per Schedule III, Part-I of the Companies Act, 2013?

- (i) Bills Payable
- (ii) Bills Receivable
- (iii) Trade Marks
- (iv) Work-in-progress
- (v) Prepaid Insurance

5. From the following information of Kali co., ltd., interpret the result of operations of a Manufacturing concern using trend percentages.

Particulars	₹ In lakhs		
	2019-20	2020-21	2021-22
Revenue from Operations	100	95.00	120.00
Cost of goods sold	60	58.90	72.80
Other expenses	10	9.70	12.00
Profit after taxes	30	26.40	45.00

6. Calculate Net Purchase from the following information, by preparing Memorandum Trading Account.

Particulars	₹
Opening Stock	25,000
Sales	1,50,000
Closing stock	30,000
Rate of gross profit on cost	33. 1/2% on cost

SECTION- C

(Analyses and Understanding Questions)

Answer any Two of the following question. Each question carries Twelve Marks. (2X12=24)

7. Sharada Co., Ltd., registered with a nominal capital of ₹ 5,00,000 in shares at ₹ 100 each, 3,000 numbers of shares were issued, payable as to ₹ 12.50 on application, ₹12.50 on allotment, ₹ 25 three months after allotment and the balance to be called up as and when required. All the money up to allotment were duly received, but a s regards the call of ₹ 25. A shareholder holding 100 shares did not pay the amount due. Another shareholder who was allotted 150 shares paid them up in full.

Pass Journal entries and prepare a Balance Sheet for the above transaction.

8. From the following information of M/s. X and Y, who share profits and losses in the ratio of 2:1. Prepare Trading and profit and loss account for the year ended 31st March 2023 and a Balance Sheet as on that date

Particulars	₹
X 's Capital	20,000
Y 's Capital	10,000
X 's Drawings	3,000
Y 's Drawings	2,000
Stock on 1-4-2022	22,000
Furniture and fittings	2,600
Bank overdraft	4,200
Premises	20,000
Sales returns	2,000
Carriage inwards	1,800
Discount (Dr.)	1,600
Discount (Cr.)	2,000
Taxes , insurance	2,000
General expenses	4,000
Salaries	9,000
Communion paid	2,200
Carriage inwards	1,800
Rent received	1,000
Purchases	1,10,000
Debtors	18,000
Creditors	13,300
Provision for doubtful debts	500
Bad debts written off	800
Sales	1,50,000

Adjustments:

- (i) Stock on hand on 31st March 2023, was valued at ₹20,060.
- (ii) Write off depreciation for premises ₹300 and for furniture ₹260.
- (iii) Make a provision of 5% on debtors for bad and doubtful debts.
- (iv) Allow interest on capital at 5% per annum and carry forward ₹700 for unexpired insurance.

9. Following are the Balance Sheets of Sudha Company Ltd and Suma Company Ltd., as on 31.3.2022. Compare the financial position of two companies with the help of Common size Balance Sheet and comment.

(in ₹)		
Particulars	Sudha Co., Ltd	Suma Co. Ltd
Equity & liabilities:		
Equity share capital	4,00,000	6,00,000
Reserves and surplus	2,00,000	2,40,000
10% Preference share capital	4,00,000	5,00,000
12% Debentures	2,00,000	4,00,000
Proposed Dividend	1,00,000	1,40,000
Sundry creditors	3,00,000	8,20,000
Bank overdraft	-	1,00,000
Total	16,00,000	28,00,000
Assets:		
Land & Building	1,60,000	2,40,000
Plant & Machinery	6,00,000	12,50,000
Cash and Bank balances	1,40,000	2,70,000
Current Investments	2,00,000	4,00,000
Sundry debtors	2,00,000	2,40,000
Stock-in-trade	3,00,000	4,00,000
Total	16,00,000	28,00,000

SECTION-D
(Skill Development Questions)

Answer any ONE of the following questions, carries SIX Marks.

(1X6=6)

10. Draft a Partnership deed with imaginary information

11. Prepare a comparative balance sheet of a company for two years with imaginary figures.
