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II Semester B.B.A. Degree Examination, September - 2021

FINANCIAL ACCOUNTING

Business Administration

(CBCS Scheme 2014-15)

Paper :2.3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in English only.

SECTION - A

Answer any **FIVE** of the following sub questions. Each question carries **Two** Marks.

(5×2=10)

1. a) Who is an Insurer?
b) Write the Meaning of down payment.
c) What is Royalty?
d) State any two features of Instalment purchase system.
e) What do you mean by sale of a firm to a Company?
f) Give the Meaning of issue of shares at premium.
g) What is Average Clause? Why is it included in Fire claims?

SECTION - B

Answer any **THREE** questions. Each question carries **Six** Marks.

(3×6=18)

2. On 15th September 2020, the premises and stock of a firm was destroyed by Fire but the accounting records were saved from which the following Particulars are available

Stock on 1.4.2019	73,500
Stock on 31.3.2020	81,900
Purchases for the year 2019-2020	3,98,000
Sales for the year 2019-2020	4,87,000
Purchases from 1.4.2020 to 15.9.2020	1,62,000
Sales from 1.4.2020 to 15.9.2020	2,31,200

The Stock salvaged was Rs.5300, show the amount of claim.

[P.T.O.]



3. On 1st April 2021, Mr. Suraj bought a Machine from HMT Ltd. On hire purchase system. The cash price was Rs.26,350 and the payment was to be Made as follows: Rs.10,000 Onsigning of the agreement and the balance in 3 yearly instalment of Rs.6,000 each 5% interest is charged by the hire vendor. Calculate the interest for each year.
4. Prepare an analysis table and short working account from the following details:
- Minimum Rent Rs.10,000 p.a.
 - Royalty Rs.1.00 per ton.
 - Short working are recoverable during the first 3 years of the lease only.
 - The output for the first 4 years was.
2016:2000 tons ; 2017-3000 tons.
2018- 4000 tons ; 2019-4500 tons.
5. Pass incorporation entries in the books of the company from the following.
- Particulars:
- Purchase Consideration Rs.6,00,000
- Value of Assets taken over Rs.7,00,000
- Current liabilities taken over Rs. 50,000
- Settlement of purchase Consideration:
- 80% in Equity shares of Rs.10 each and the balance in 8% Debentures of Rs.100 each.
6. Sangavi Ltd. issued 20,000 shares of Rs.10 each to the Public, Payable Rs.2 on application Rs.4 on allotment and Rs. 4 on first call. Application were received for 25,000 shares. Pass journal entries in the books of Company assuming that 5000 shares were rejected and application Money was returned.

SECTION - C

Answer any **THREE** questions. Each question carries **14** Marks. (3×14=42)

7. Mr. Manjesh purchased a Motor car from Vishnu on 1.1.2020 on hire purchase system. The cash price of the car was Rs.1,12,000. The terms of payment was 30,000 should be paid on signing the contract and balance amount payable in 3 equal annual instalment of Rs.30,000 each. The Vendor charged interest of 5% p.a. The depreciation chargeable was 20% under written down value method. Prepare necessary ledger Accounts in the Books of Mr. Manjesh.