

**END TERM EXAMINATION**

FIRST SEMESTER [BBA] NOV-DEC-2019

Paper Code: BBA-105

Subject: Financial Accounting and Analysis

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions.

Q1 (a) Explain the role of Accounting as an Information System.

b) Differentiate between Book-keeping and Accounting.

(10+5=15)

Q2 a) Explain any two accounting concepts.

b) Explain the progress made in India for convergence of accounting standards with IFRS.

(10+5=15)

Q3 a) The following are the extracts from the Trial Balance of a firm.

**Trial Balance  
As on 31<sup>st</sup> December, 2017**

Particulars	Dr.	Cr.
Furniture and Fixtures	10,000	
Plant and Machinery	40,000	

Additional Information:

i) Furniture of Rs. 5,000/- was purchased on 1<sup>st</sup> July, 2017. Charge depreciation @ 10% p.a.ii) Plant of Rs. 10,000/- was acquired on 1<sup>st</sup> July, 2017. charge depreciation @20%.

Pass the necessary journal entries and show how the items will appear in the Firm's Final Accounts.

b) Differentiate between a Trial Balance and Balance Sheet.

(10+5=15)

Q4 The following are the balances of Johori Albhushan Bhandari Co. Ltd. as on 31<sup>st</sup> March, 2017:

Debit	Rs.	Credit	Rs.
Premises	30,72,000	Share Capital (of Rs. 10 each)	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	P&L A/c	2,62,500
Debtors	8,70,000	Bills Payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash and Bank	4,06,500	Sales	41,50,000
Calls in Arrear	75,000	General Reserve	2,50,000
Interim Dividend Paid	3,92,500	Bad Debt. Provision on	35,000
Purchases	18,50,000	1.04.2016	
Preliminary Expenses	50,000		
Wages	9,79,800		
General Expenses	68,350		
Salaries	2,02,250		
Bad Debts	21,100		
Debentures Interest Paid	1,80,000		
	<b>1,24,67,500</b>		<b>1,24,67,500</b>

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## Additional Information:

- a) Depreciation Plant by 15%
  - b) Half year's Debenture Interest due.
  - c) Credit 5% Provision on Debtors for Doubtful Debts.
  - d) Provide for Income Tax @ 50%
  - e) Stock on 31<sup>st</sup> march 2017 was Rs. 9,50,000.
  - f) A claim of Rs. 25,000 for workmen's compensation is being disputed by the company.
- Prepare Final Accounts of the company as per Schedule III to the companies Act, 2013. (15)

Q5 a) Explain the purpose of providing for depreciation. Should depreciation be charged on replacement cost?

b) State the basic principles governing depreciation as per AS 10: "Property, Plant & Equipment"

(10+5=15)

Q6 X Ltd. issued a prospectus offering 2,00,000 equity shares of Rs. 10 each on the following terms:

On application	Rs. 1 per share
On allotment (including premium of Rs. 2)	Rs. 3 per share /
On first call (three months after allotment)	Rs. 4 per share
On second call (three months after allotment)	Rs. 4 per share

Subscriptions were received for 3,17,000 shares on 23<sup>rd</sup> April and allotment made on 30<sup>th</sup> April was as under:

	Share allotted
i) Allotments in full (two applicants paid in full on allotment in respect of 4,000 share each).	38,000
ii) Allotment of 2/3 of shares applied for	1,60,000
iii) Allotments of 1/4 of shares applied for	2,000

Cash amounting to Rs. 31,000/- (being application moneys received with applications for 31,000 shares upon which no allotment was made) was returned to applicants forthwith. The amount due were received on due dates except with the final call on 100 shares. These shares were forfeited on 15<sup>th</sup> November and reissued to A on the 16<sup>th</sup> on payment of Rs. 9 per share. The company adopted table F as its articles.

You are required to give the necessary journal entries (without narratives) and also show how the transactions would appear in the Company's Balance Sheet. Assume that interest on calls in advance was paid by the company on 30<sup>th</sup> October in cash. (15)

Q7 a) Explain the provisions of The companies Act, 2013, regarding creation of Debentures Redemption Reserve.

b) A Ltd. has a share capital of 5,000 equity shares of Rs. 100 each, having a market value of Rs. 150 per share. the company wants to raise additional funds of Rs. 1,20,000 and offers to the existing shareholders the right to apply for a new share at Rs. 120 for every five shares held. You are required to calculate the value of a right. (5+10=15)

Q8 Write short notes on any three of the following:- (3x5=15)

- a) Green Accounting
- b) Human Resource Accounting
- c) Social Responsibility Accounting.
- d) Security Exchange Board of India
- e) Price-level Accounting.

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