Form No. Ex- 8

Particulars about the candidate and the subject are checked thoroughly and corrected where necessary.

Invigilator

Sl. No..... **050**

CENTRE ROLL:.....

Signature of Officer-in-Charge

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

BBA 3rd Semester Examination 2014

Course : 9

(Financial Accounting - II)

Enrolment Number | | | | | | | | | | | | | **Year** | |

Medium of Answer : | |

INSTRUCTIONS TO CANDIDATES

1. This booklet contains...20..... Pages numbering..19.....
2. An Examinee is allowed to bring only Admission Card and Identity Card to the Examination Hall. Any Examinee found in possession of loose papers, books etc. is liable to be Expelled.
3. Enrolment No. and Medium of answer must be written legibly at the specified places. Examinee's name and any other identifying mark which reveals examinees identity shall not be written anywhere in the script.
4. For Making calculations, only the last page provided for rough work shall be used.
5. No pages of the script be torn out .
6. Calculators will not be allowed for making calculations in the examination hall. ***MOBILE PHONES are strictly prohibited in the examination Centre.***
7. No candidate will be allowed to leave or go out of the hall during the First hour of the Examination.
8. A candidate having completed his/her answer, the script must be handed over, to an invigilator before leaving the hall.
9. Contravention of any of the instructions mentioned above shall render a candidate liable for disciplinary action as per regulations of the University.

Question No.	Marks
Total=	

Examiner's Signature_____

Scrutiniser's Signature_____

Head Examiner's Signature:_____

BBA 3rd Semester Examination 2014
Course : 9
(Financial Accounting - II)

Time : 3 Hrs. Full Marks : 80

1. Answer the following questions very briefly : 1×8 = 8

(a) What is 'bank overdraft'?

(b) What is a 'balance sheet'?

(c) What do you understand by the term 'depreciation'?

(d) What is 'goodwill'?

(e) What is a 'partnership deed'?

(f) What is 'operating profit'?

(g) What is a 'fund flow statement'?

(h) What do you understand by 'Earning per share'?

2. Answer the following questions : 2×8 = 16

(a) Give an example of a 'direct' and an 'indirect' expense.

(b) Why do you need to 'write off' bad debts? Show the journal entry.

(c) What are the two most important things that a trader naturally desires to show at the end of an accounting year?

(d) What are the fictitious assets? Give examples.

(e) What do you understand by 'partners drawings'? Show the journal entry.

(f) The old profit sharing ratio of A and B was 2:1 and after admission of C the ratio among A, B and C is 2:1:1. Calculate the sacrificing ratio.

(g) What are the two rights that a newly admitted partner acquires?

(h) What do you understand by the term 'provisions'? Give examples.

3. Answer any five questions from the following : 4×5 = 20

(a) On 31-12-2012, the sundry debtors of a firm amounted to Rs 80,600. Out of debtors Rs 600 is irrecoverable and the same is to be written off as bad debts. Pass journal entries relating to bad debts and show how the accounts would be reflected in the balanece sheet. 3+1=4

(b) What is meant by liabilities? Show its classification.

(c) State the distinctions between trading and profit and loss account.

(d) Mention some limitations of 'Ratio Analysis'.

(e) What is a 'cash flow statement'? Mention some sources and uses of cash.

(f) What are fixed and fluctuating capitals?

(g) On 1st January 2009, a plant was bought for Rs. 16,000 with an estimated life of 5 years and scrap value of Rs. 1,000. Straight line method of depreciation is followed. Prepare Plant A/c for the first 3 years, assuming accounts are closed on 31st December.

4. Answer any two questions from the following : 8×2 = 16

(a) On 1-1-2008, the machinery account in the books of Trinity Ltd. stand at Rs. 70,000. A portion of the machinery (whose book value on 1-1-2008 was Rs. 4,000) is sold for Rs. 2,500 on 1-4-2008. On 1-9-2008, the firm purchased a new machine at Rs. 15,000. The firm charges depreciation at 10% on diminishing balance method and closes books on 31st December, every year.

Show journal entries in the books of the firm for the year ended 31-12-2008.

(b) What are the components of a balance sheet? Explain.

(c) What are the activity ratios? Discuss any three activity ratio.

5. Answer any two questions from the following $10 \times 2 = 20$

(a) From the following trial balance of M/s Shyam & Sons, prepare a trading and profit and loss account for the year ended 31st December, 2013 and a balance sheet as on that date.

Trial balance of M/S Shyam & Sons.

Particulars	Dr.(Rs.)	Cr.(Rs.)	Particulars	Dr. (Rs.)	Cr. (Rs.)
Purchases	21,750		Travelling expense	400	
Discount allowed	1,300		Commission	425	
Wages	6,975		Carriage inward	275	
Salaries	2,000		Trade Expenses	705	
Sales		35,000	Interest	100	
Outstanding trade		475	Insurance	150	
expenes			Furniture	200	
Buildings	5,000		Capital		13,000
Debtors	4,250		Cash	7,045	
Creditors		2,100			
				50,575	50,575

Adjustments :

(a) Stock on 31-12-2013 Rs. 6000.
(b) Wages outstanding Rs. 500.
(c) Salaries outstanding Rs. 425.
(d) Prepaid insurance Rs. 50.

(b) What are the causes of depreciation? Explain any two methods of providing for depreciation.

(c) Given below is the balance sheet of A, B and C sharing profits in the ratio of 2:2:1

Liabilities		Amount Rs.	Assets.	Amount Rs.
Capitals			Sundry Assets	85,000
A	70,000		Cash	25,000
B	30,000	1,00,000	C's Capital A/c	5000
Sundry				
Creditors		15,000		
		1,15,000		1,15,000

The firm was dissolved and sundry assets were realised Rs. 82,000
Sundry creditors were paid Rs. 13,500 in full settlement of their debt.
Realisation expenses were Rs. 200.
C was declared insolvent and his estate contributed only 50 paisa in a rupee.
Prepare Realisation A/c, Cash A/c and Partners' Capital A/c [Apply Garner vs Murray rule].