



K25U 3017

Reg. No. : .....

Name : .....

**III Semester B.B.A./B.B.A.(R.T.M.)/B.B.A.-H.A. Degree (C.B.C.S.S. – O.B.E. –  
Supplementary/Improvement) Examination, November 2025  
(2019 to 2023 Admissions)**

**Core Course**

**3B04-BBA/BBA(RTM)/BBA-HA : FINANCIAL ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

**PART – A**

Answer **all** questions. **Each** question carries 1 mark.

**(6×1=6)**

1. What is meant by accounting equation ?
2. What are accounting concepts ?
3. Explain the term revenue expenditure.
4. What are prepaid expenses ?
5. What do you mean by oversubscription of shares ?
6. What is corporate dividend tax ?

**PART – B**

Answer **any 6** questions. **Each** question carries 2 marks.

**(6×2=12)**

7. State any two points of distinction between journal and ledger.
8. Name two external users of accounting information.
9. Calculate the cost of goods sold.

	<b>Rs.</b>
Opening stock	21,000
Closing stock	29,000
Purchases	1,00,000
Wages	10,000

P.T.O.



10. Write the adjusting entry for accrued income.
11. Explain the treatment of bad debts in final accounts.
12. What are cumulative and non-cumulative preference shares ?
13. What are calls-in-arrears and calls in advance ?
14. Explain the terms forfeiture and reissue of forfeited shares.

### PART – C

Answer **any 4** questions. **Each** question carries **3** marks.

**(4×3=12)**

15. Explain the following :
  - a) Income
  - b) Intangible Assets
  - c) Wasting Assets.
16. Correct the mistakes of the following Balance Sheet and prepare it in proper form. Balance Sheet for the year ending 31<sup>st</sup> March, 2020.

<b>Assets</b>	<b>Rs.</b>	<b>Liabilities</b>	<b>Rs.</b>
Debtors	5,950	Goodwill	7,000
Land and Buildings	12,250	Investments	1,750
Capital	56,100	Creditors	10,500
Drawings	1,400	Stock (31-03-2020)	35,000
Stock (1-4-2019)	3,500	Bank Balance	7,000
Bills Payable	1,750	Sales	38,500
Bank Loan	12,250	Motor Vehicle	17,500
Cash in hand	350		
Plant and Machinery	5,250		
Salaries	5,250		
Rent	350		
Net Profit	12,850		
	<b>1,17,250</b>		<b>1,17,250</b>





17. X Ltd. invited applications for 100000 equity shares of Rs. 100 each issued at a discount of 10%, payable as follows :  
On application Rs. 25; on allotment Rs. 30; and on first and final call Rs. 35.  
The issue was fully subscribed and amounts were duly received except the final call on 1000 shares which were forfeited by the company. Pass the entry for forfeiture of shares.
18. What are the conditions for the issue of shares at a discount ?
19. Explain the following :  
i) Statutory companies  
ii) Registered companies  
iii) Government companies.
20. Explain the methods of accounting for amalgamation.

PART – D

Answer **any 2** questions. **Each** question carries **5** marks.

(2x5=10)

21. Point out a suitable example for the following types of transactions.  
a) Increase in asset results in increase in liability.  
b) Decrease in asset followed by decrease in liability.  
c) Increase in asset results in increase in capital.  
d) Increase in asset results in decrease in another asset.  
e) Decrease in asset results in decrease in capital.
22. From the following information, prepare the final accounts for the year ending on 31<sup>st</sup> March 2024.
- |                   |        |                      |          |
|-------------------|--------|----------------------|----------|
| Bills Receivables | 16,000 | Power                | 8,000    |
| Cash              | 7,000  | Advertising          | 9,000    |
| Petty Cash        | 1,000  | Purchases            | 2,00,000 |
| Land and Building | 30,000 | Postage and Telegram | 1,000    |
| Opening Stock     | 40,000 | Discount allowed     | 7,000    |



Salaries	12,000	General Expenses	5,000
Debtors	50,000	Drawings	30,000
Wages	40,000	Capital	1,00,000
Cash at Bank	12,000	Creditors	70,000
Rent paid	8,000	Sales	3,10,000
Office Lighting	4,000		

### Adjustments :

- Closing Stock Rs. 61,000.
  - Allow interest on capital at 5% p.a.
  - Depreciate land and building by 10% p.a.
  - Create a provision for doubtful debts at 10% of debtors.
- F Co. Ltd. invited applications for 100000 shares of Rs. 10 each payable Rs. 3 on application, Rs. 3 allotment and the balance when required. 120000 shares were applied for. The Directors accepted applications for 100000 shares and rejected the remaining applications. Allotment money was received on 99500 shares. Pass the necessary journal entries.
  - Point out differences between pooling of interest method and purchase method in the context of amalgamation