

Total No. of Pages: 3

Register Number:

5603

Name of the Candidate:

B.B.A. DEGREE EXAMINATION – 2011
(APPLIED MANAGEMENT)
(SECOND YEAR)
(PART – III)
(PAPER – V)

220. FINANCIAL ACCOUNTING
(Including Lateral Entry)

December)

(Time: 3 Hours

Maximum: 100 Marks

SECTION - A

Answer ALL questions.

(10 × 2 = 20)

1. What is double entry?
2. What do you mean by trial balance?
3. What is the need for costing?
4. What do you mean by costing?
5. What are the objectives of a balance sheet?
6. What is the need for a cash flow statement?
7. Explain the time value of money.
8. Explain marginal costing.
9. What are the issue in taking basic financial decisions?
10. Explain the features of financial management.

SECTION - B

Answer any FOUR questions.

(4 × 10 = 40)

11. Explain the salient features of a Balance Sheet.
12. What are the different elements of cost?
13. Describe the errors that can be found by trial balance.
14. From the following information, make out a statement of proprietor's fund with as many details as possible
 - (i) The working capital of the company Rs. 1,50,000.
 - (ii) Reserves and surplus Rs. 90,000.
 - (iii) Bank Over Draft Rs. 30,000
 - (iv) Current ration 2.
 - (v) Liquid ratio 1.
 - (vi) Proprietary ratio (fixed Assets to Proprietors' Funds) 8.50. There is no long term loan or fictitious asset.
15. Explain uses of marginal costing.

16. From the following two Balance sheets as on 31st December 2008 and 2009, you are required to prepare a schedule to change in working capital.

Capital and Liabilities	2008	2009	Assets	2008	2009
Share Capital	2,00,000	2,50,000	Cash	30,000	47,000
Trade Creditors	70,000	45,000	Debtors	12,000	1,15,000
Retained Earnings	10,000	23,000	Stock in Trade	80,000	90,000
			Land	50,000	66,000
	2,80,000	3,18,000		2,80,000	3,18,000

SECTION - C

Answer any TWO questions.

(2 × 20 = 40)

17. From the following Trial Balance and other information relating to a business. Prepare trading and profit and loss account for the year ended 31st December, 2010 and a Balance Sheet as on that date:

	Rs.	Rs.
Drawings and Capital	25,000	2,00,000
Cash at Bank	48,000	--
Plant and Machinery	50,000	--
Bills Receivable and Payable	10,000	9,000
Purchases and Sales	2,05,000	3,54,000
Returns inwards and Outwards	4,000	5,000
Wages	20,000	--
Stock on 1.1.2010	30,000	
Carriage Inwards	7,000	
Discounts	1,000	2,000
Office expenses	15,000	--
Salaries	10,000	
Debtors and Creditors	45,000	50,000
Outstanding Salary	--	3,000
Outstanding Rent	--	1,000
Furniture	20,000	--
Land and Building	1,00,000	--
Insurance	2,000	--
Kannan Life Insurance Premium	1,000	--
Rent	12,000	--
Bad-Debts	1,000	--
Depreciation	15,000	--
Income Tax paid	3,000	
	6,24,000	6,24,000

Adjustments :

- (a) Closing Stock as on 31.12.2010 Rs. 50,000.
- (b) Bills receivables and cheque from Debtors dishonoured Rs. 3,000 and 2,000 respectively, but no entries are made in the books.
- (c) Write-off further bad debts Rs. 2,000 and maintain 5% provision for bad debts on debtrs.
- (d) Goods of the value of Rs. 4,000 were destroyed by fire and the insurance company admitted a claim of Rs. 2,700.

18. The contract ledger of a company showed the following expenditure on account of a contract at 31st December 2009.

	Rs.
Materials	12,00,000
Plant	2,00,000
Wages	16,44,000
Establishment Charges	86,000

The contract commenced on 1st January 2009, and price was Rs. 60,00,000. Cash received on the contract to date was Rs. 24,00,000, representing 80% of the work certified, the remaining 20% being retained until completion. The value of materials on hand was Rs. 40,000, and the cost of work finished but not certified at 31st December 2009 was Rs. 60,000.

Prepare an account in respect of the contract showing the profit to date, assuming depreciation on plant at 10% per annum and state the proportion of profit the company would be testified in taking to the credit of its Profit and Loss Account.

- 19. Explain the features, advantages and disadvantages of the ratio analysis.
- 20. Explain the construction and uses of a Break Even Chart.

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