

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai - 600 044.

B.B.A. - END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - I

**24UBACT1002 - Financial Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Explain the need for accounting and accounting information systems.
2. Prepare the Journal, Profit & Loss A/c and Balance sheet. The sundry debtors on 31<sup>st</sup> Dec, 1995 are Rs.40,000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for Rs.3,000 are doubtful and are estimated to realize  $\frac{2}{3}^{rd}$  of the amount and the debtors for Rs.1,000 are bad. Make a provision for doubtful debts.
3. Prepare the Profit and Loss Statement for the year ended 31<sup>st</sup> March 2022.

	Rs.		Rs.
<b>Stock on 1-4-2021:</b>		Audit Fees & Expenses	10,000
Work-in-Process	36,000	Managing Director's Remuneration	26,000
Finished Goods	97,000	Purchase of Raw Material	4,80,000
Raw Material	1,35,000	Deferred Tax	12,000
Sales of Products	10,80,000	Power & Electricity Expenses	15,000
Provision for Doubtful Debts	5,300	Interest on Debentures	18,000
Profit on Sale of Investments	5,000	Interest Paid on Other Borrowings	8,500
Income Tax (Current)	75,000	Dividends Received	9,400
Salaries & Wages	1,40,000	<b>Stock on 31-3-2022:</b>	
Depreciation	40,000	Raw Material	60,000
Interest Received	7,800	Work-in-Process	40,000
Profit on Sale of Fixed Assets	16,000	Finished Goods	50,000
Commission on Sales	9,000		

4. Classify different data collection techniques in green accounting.
5. Illustrate purchase return and sales return book from the following data of the year 1987:

Aug. 1	Purchased goods returned to Senthil	205
3	Received goods returned by Natarajan	300
5	Goods returned to Kannan	500
7	Sales returns of Rs.1,260 by Mathavan	
15	Returned defective goods to Rajan	1,280
18	Damaged goods returned by Murali	1,120
23	Outward returns to Kanagasabai	275
29	Inward returns by Swaminathan	750
30	Returned inferior goods to Sankar	890
31	Selvan returned goods to us	1,330

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6. Prepare balance sheet from the following information:

**Debit Balance:**

Opening Stock	6,200	Building	34,000
Furniture	2,000	Purchases	42,400
Salaries	4,400	Rent	1,200
Miscellaneous expenses	1,000	Postage	560
Stationery	520	Wages	10,400;
Freight on purchases	1,120	Carriage on sales	1,600
Repairs	1,800	Sundry debtors	12,000
Bad debts	240	Cash in hand	2,600
Returns inward	2,040		

**Credit Balance:**

Sales	82,920	Capital	24,000
Bank loan	6,000	Sundry creditors	9,840
Returns outwards	840	Interest	260
Dividend	220		

7. Prepare the necessary Journal entries for ABC Ltd., in connection with the issue of shares.

ABC Ltd., issued 50,000 equity shares of Rs.10 each, payable as follows:

Rs.3 on Application

Rs.4 on Allotment

Rs.2 on First Call

Rs.1 on Final Call

The company received applications for 60,000 shares. The directors decided to allot 50,000 shares and refund the excess application money to applicants for 10,000 shares. All the money was duly received except the First Call on 2,000 shares and the Final Call on 3,000 shares.

8. Justify that sustainable accounting will improve value of a business.

### Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Describe various concepts and conventions of accounting systems.

10. Prepare Journal entries, Ledger accounts and Trial balance for the following data:  
M/s.Suresh started their business on 1<sup>st</sup> April 1995 with Rs.50,000 as their capital.

Date	Particulars	Rs.
1	Paid into bank	20,000
2	Purchased furniture from Modern on Credit	3,000
5	Purchased goods from Mohan	8,800
6	Sold goods on credit to Sivakumar	3,500
8	Paid to Modern – cash	2,000
15	Paid wages in cash	200
16	Issued cheque to Mohan	7,000
20	Received from Sivakumar	1,500
21	Paid into bank	1,500
23	Cash sales	3,500
25	Cash purchases	1,800
27	Goods withdrawn for personal use	500
28	Cash withdrawn for personal use	750
29	Paid for stationery	100
30	Paid salaries by cheque	1,000

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11. Infer the following trial balance in the form of balance sheet and give suggestions also of Mr.K.Krishnan.

**Debit Balance:**

Sundry debtors	92,000	Plant & Machinery	20,000
Interest	430	Rent, Rates	5,600
Conveyance charges	1,320	Wages	7,000
Sales return	5,400	Purchases	1,50,000
Opening stock	60,000	Krishnan's drawing	22,000
Trade expenses	1,350	Salaries	11,200
Advertising	840	Discount	600
Bad debts	800	Business premises	12,000
Furniture	10,000	Cash	2,060

**Credit Balance:**

Krishnan's capital	70,000	Purchase return	2,600
Sales	2,50,000	Sundry creditors	60,000
Bank od	20,000		

**Adjustments:**

- (i) Stock on hand on 31.12.96 90,000;
  - (ii) Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and Furniture at 10%.
  - (iii) Write off 800 as further Bad debts
  - (iv) Provide for doubtful debts at 5% on Sundry debtors
  - (v) Outstanding rent was 500 and outstanding wages 400;
  - (vi) Prepaid insurance 300 and prepaid salaries – 700
12. Prepare the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017, and the Balance Sheet as at that date, after making the following adjustments:  
Depreciate Plant and Machinery by 10%; Provide half-year's interest on debentures; Make the provision for bad and doubtful debts Rs.4,250 on sundry debtors; Stock on 31<sup>st</sup> March, 2017 was Rs.4,55,000. Corporate dividend tax is to be ignored.  
A limited company was registered with an authorised capital of Rs.30,00,000 in equity shares of Rs.10 each. Following is the list of balances extracted from its books on 31<sup>st</sup> March, 2017:

	Rs.		Rs.
Purchases	9,25,000	Wages	4,24,325
Manufacturing Expenses	65,575	Salaries	70,000
Bad Debts	10,550	Directors' Fees	33,625
Debenture Interest Paid	45,000	Calls in Arrear	37,500
Plant and Machinery	15,00,000	Premises	16,50,000
Interim Dividend Paid	1,87,500	Furniture and Fixtures	20,75,000
Sundry Debtors	4,36,000	General Expenses	84,175
Stock on 1-4-2016	3,75,000	Goodwill	1,00,000
Cash in Hand	28,750	Cash at Bank	2,22,000
Subscribed and Fully Paid Capital	20,00,000	Surplus Account (Credit Balance)	72,500
6% Debentures	2,90,000	Sundry Creditors	35,000
Bills Payable	1,67,500	Sales	20,75,000
General Reserve	1,25,000		

13. Critique the need and objectives of sustainability reporting in detail.

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