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DCAM201

Reg. No.

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II Semester B.B.A. (Aviation Management) Degree Examination,

July/August - 2024

BUSINESS ADMINISTRATION

Financial Accounting and Reporting

(CBCS NEP Scheme Freshers and Repeaters 2023-24)

Paper : 2.1

Time : 2½ Hours

Maximum Marks :60

Instructions to Candidates:

Answer should be writing completely in English only

SECTION - A

Answer any Five of the following sub questions. Each sub question carries 2 marks. (5×2=10)

1. a) What is Partnership?
- b) What is Authorised Capital?
- c) Give the meaning Rights Issue.
- d) How do you treat Bad debts while preparing final Accounts of companies.
- e) What is meant by Financial Analysis.
- f) State the methods of valuation of Goodwill.
- g) What do you mean by corporate financial Reporting?



SECTION- B

Answer any Four of the following questions. Each question carries 5 marks. (4×5=20)

2. Briefly explain the users of Corporate Financial Report.

[P.T.O.]





3. The profits disclosed by Shankar Ltd for the past Five years as follows:

2019 - Rs 40,000 (including abnormal profit Rs. 5,000)

2020-Rs 50,000 (after charging abnormal loss Rs. 1,000)

2021-Rs 45,000 (excluding Rs. 5,000 insurance premium)

2022- Rs. 60,000

2023 - Rs. 80,000 (including Profit on sale of building Rs. 30,000)

Calculate Goodwill at 2 years purchase of average profits.

4. Jashwanth Company Ltd issued 10,000 equity shares of Rs. 10 each for public subscription. The amount was payable as follows.

Rs. 3 on application

Rs. 5 on allotment

Rs. 2 on first and final call

All the shares were subscribed and the money were duly received.

Pass the necessary Journal entries.

5. Under which heading and sub-headings will the followings items appear in the Balance Sheet of a Company as per schedule III, part - I of the Companies Act, 2013 ?

i) Loose Tools

ii) Sundry creditors

iii) Sundry Debtors

iv) Goodwill

v) General Reserve



6. From the following particulars prepare comparative statement of profit and Loss

Particulars	Rs in lakhs	
	2021-22	2022-23
Revenue from operation	600	800
Purchase of stock-in-Trade	400	500
Other expenses	40	50
Other Income	20	25
Finance cost	30	40
Net profit	150	235

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. From the following trial balance of M/S Ganga and Thunga who share profits and losses equally.

Prepare The Trading and Profit & Loss Account and Balance Sheet as at 31st March 2024.

Particulars	Debit	Credit
	Rs	Rs
Ganga's Capital	-	20,000
Thunga's Capital	-	20,000
Ganga's drawings	4,000	-
Thunga's drawings	4,000	-
Machinery	20,000	-
Buildings	32,000	-
Debtors	10,000	-
Trade expenses	300	-

[P.T.O.]

(4)



Stock on 1-4-2023	8,000	-
Salary	4,000	-
Rent for 11 months	2,200	-
Bad debts	500	-
Discount	460	560
Returns	760	1600
Sales	-	78,000
Purchases	40,000	-
Commission	-	260
Furniture	2000	-
Reserve for Doubtful debts	-	800
Wages	7,000	-
Carriage	500	-
Overdraft	-	3000
Creditors	-	12,000
Cash	500	-
	1,36,220	1,36,220

Adjustments

- i) Allow interest on capital and drawings at 5% and 4% respectively.
- ii) Depreciation on machinery and furniture at 10% and 5% respectively.
- iii) Salary is Prepaid to the extent of Rs. 100
- iv) One month rent is outstanding
- v) Interest on overdraft outstanding Rs. 450
- vi) Reserve 6% of sundry debtors for doubtful debts.
- vii) Closing stock was valued at Rs. 25,000.



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8. From the following trial balance prepare final Accounts of Hithashree Trading Company Limited for the accounting period 31st March 2024.

Particulars	Debit	Credit
	Rs	Rs
Sales	-	6,54,000
General Reserve	-	12,000
Opening Inventories	58,400	-
Trade payable	-	25,890
Purchase of goods	2,32,080	-
Depreciation on Tangible Assets	15,500	-
Trade Receivables	85,000	-
Salary expenses	98,470	-
Provision for Bad debts	-	5,000
Cash and cash equivalents	35,500	-
Tangible Assets	1,55,000	-
Fright	48,880	-
Amortization on Tangible Assets	18,500	-
Sundry expenses	42,860	-
Share capital (Rs. 100 each)	-	2,50,000
P&L A/c	-	7,000
Preliminary expenses.	20,000	-
Power Fuel	54,200	-
Bad Debts	3,500	-
Intangible Assets	86,000	-
	9,53,890	9,53,890

[P.T.O.]



**Adjustments:**

- i) Closing Inventories Rs. 28,880
- ii) Create provision for Taxation at 30%
- iii) Write off 1/5th of preliminary Expenses
- iv) Directors Proposed dividend of 15%
- v) Write off Rs. 2,500 as bad debts and maintain RBDD at 10% on Debtors.

9. Following are the Balance Sheets of M Ltd and V Ltd as on 31st March 2024.

Particulars	M Ltd	V Ltd
Equity and Liabilities	Rs.	Rs.
Equity Share Capital	4,00,000	6,00,000
12% Debentures	2,00,000	4,00,000
10% Preference Shares Capital	4,00,000	5,00,000
Reserves and surplus	2,00,000	2,40,000
Proposed Dividend	1,00,000	1,40,000
Creditors	3,00,000	8,20,000
Bank Overdraft	-	1,00,000
Total	16,00,000	28,00,000
Assets	Rs	Rs
Land and Buildings	1,60,000	2,40,000
Plant and machinery	6,00,000	12,50,000
Current Investments	2,00,000	4,00,000
Inventories	3,00,000	4,00,000
Debtors	2,00,000	2,40,000
Cash	1,40,000	2,70,000
	16,00,000	28,00,000



Compare the financial position of two companies with the help of common size Balance Sheet and Comment.

SECTION - D

Answer any ONE of the following question. Each question carries 6 marks.
(1×6=6)

10. Prepare profit and Loss Appreciation account with imaginary figures.
 11. Prepare statement of profit and loss with imaginary figures.
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