

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
 Second Semester B.Com/B.Com CA Degree Examination, March 2017

BC2B02 – Financial Accounting

(2016 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

Part I

Answer all 10 questions. Each question carries 1 mark each

1. The principle that guides and standardizes accounting practices is called -----
 a. GAAP b. Accounting Standards c. Financial statement d. None of these
2. Inventory does not include:
 a. Finished Goods b. Raw material c. Work in progress d. Machinery
3. Accounting standards for impairment of Assets is :
 a. Ind AS 2 b. Ind AS 36 c. Ind AS 23 d. None of these
4. Free samples given to customers is credited to ----- account
 a. Purchase Account b. Stock Account c. Advertisement Account d. Sales Account
5. Under ----- method, depreciation charged at the initial years will be more
 a. Original Cost Method b. Diminishing Balance method c. Revaluation Method d. none of these
6. The amount which a non-trading organization will receive as per the will of a deceased person is called -----
7. Decrease in capital at the end of the year represents -----
8. A company can purchase own debentures either for cancellation or for -----
9. Dividend is calculated on ----- capital
10. EPS means -----

(10 x 1 = 10 Marks)

Part II

Answer any eight out of the ten questions. Short answer questions to be answered in two or three sentences. Each question carries 2 marks each.

11. What do you mean by principle of disclosure?
12. What is IFRS ?
13. What do you mean by impairment loss?.
14. What is deferred tax liability?
15. Define contingent Asset.
16. What do you mean by capital expenditure?
17. What do you understand by Capital Fund?
18. What is depletion method of depreciation?
19. How do you distinguish single entry and double entry?
20. What do you mean by Employee Stock Option Plan?

(8 x 2 = 16 Marks)

Part III

Answer any 6 out of the 8 questions. Short essay questions to be answered in 150 to 200 words (in the case of theory questions). Each question carries 4 marks each

21. What do you mean by Right Issue of shares? How will you calculate Value of Right?
22. Write a note on issue of shares as collateral security. How will you treat the same in accounts?

- Distinguish Income and Expenditure Account and Receipts and Payments Account.
25. Apco Ltd. Purchased a property for Rs.50 lakh. The seller allowed a rebate of 1%. The excise duty included in the price is Rs.4,50,000 for which the company will get a tax refund. Non refundable VAT is Rs.1,50,000. The other charges are:
 Transportation expenses Rs. 1,75,000
 Handling charges Rs.60,000
 Insurance Rs.40,000
 Testing fee Rs.35,000
 The company sold the tested goods for Rs.15,00,000
 The company borrowed Rs. 20,00,000 at 10% interest for the purchase of the property. The entire process of purchase took 12 months.
 Compute the initial cost of the property.
26. Compute impairment loss from the following particulars:
 Original Cost of Asset Rs.9,50,000
 Accumulated depreciation Rs.1,40,000
 Present Value of future Cash Flow Rs.4,80,000
 Fair Value of Cash Generating Units Rs.5,20,000
 Estimated cost of disposal Rs.25,000
27. A holds 100 shares of Rs.10 each on which he has paid Re.1 per share as application.
 B holds 200 shares of Rs.10 each on which he has paid Re.1 and Rs.2 per share as application and allotment money respectively.
 C holds 300 shares of Rs.10 each and has paid Re.1 on application, Rs.2 on allotment and Rs.3 for the first call.
 They all fail to pay their arrears and the second call of Rs.2 per share and the directors, therefore, forfeited their shares. The shares are reissued subsequently for Rs.11 per share as fully paid.
 Give journal entries for forfeiture and reissue only.
28. Find out the amount of subscription received during the year 2015, to be shown on the receipts side of Receipts and Payments Account
 Subscriptions credited to Income and Expenditure Account Rs.9,500
 Subscription received in advance as on 31.12.2015 Rs.700
 Subscriptions outstanding for the year 2015 Rs. 520
 Subscription received in advance as on 1.1.2015 Rs.220
 Subscription outstanding as on as on 1.1.2015 Rs.320 (of which Rs. 120 is not yet collected)

(6 x 4 = 24 Marks)

Part IV

Answer any 2 out of 3 questions. Essay questions to be answered in 600 to 800 words (in case of theory questions). Each question carries 15 marks each.

29. Ram who keeps his books by Single Entry instructs you to prepare Trading and profit and Loss Account of his business for the year ended 31st March 2016 and a Balance Sheet as at that date.
 On 1st April 2015, he had stock worth Rs.27,000, Creditors on open accounts Rs.24,000, Debtors Rs.60,000, Business Premises Rs.45,000 and Office furniture Rs.3,000.

Upon analyzing his Cash book for the year, you find the following:

Bank Overdraft on 1 st April 2015	12,000
Received from Debtors	75,000
Received from Cash Sales	20,000
Paid to Creditors	44,000
Paid for Cash Purchases	12,000
Interest on Overdraft	500

Salaries and Wages	9,000
Paid General charges	750
Rent and Taxes	1,200
Drawn for personal use	1,000

Scrutiny of Personal Accounts showed that he had allowed Rs.4,500 as discount and allowance to his debtors and had earned Rs.3,000 as discount from his creditors. On 31st March 2016 he had stock Rs.40,000, Debtors Rs.67,000, Bills Receivable Rs.3,000, Creditors Rs.20,000, Bills payable Rs.4,000, Business Premises Rs.45,000 and Furniture Rs.3,000. He also owed Rs.400 for expenses.

You are to charge 5% depreciation on Furniture and Premises, Provide Rs.4,800 for doubtful debts and allow 5% interest on Opening Capital.

30. From the following figures related to financial position and financial results of X ltd and additional information, you are required to prepare a Cash Flow statement by Indirect method as per Ind As 3

Liabilities	2015	2014	Assets	2015	2014
Debtors	32,500	37,000	Cash	46,000	28,900
Accounts payable	4,500	7,500	Debtors	41,000	45,000
Income Tax payable	7,000	5,000	Inventories	48,000	51,000
Long term notes payable 2026	1,00,000	---	Prepaid Expenses	4,100	3,700
Reserve for Share Capital	4,00,000	3,50,000	Machinery	3,30,000	3,10,000
Share Premium	55,000	45,000	Accumulated Depreciation on machinery	(1,31,000)	(1,85,000)
Appropriation A/c	1,54,100	1,19,100	Buildings	5,80,000	4,75,000
			Accumulated Depreciation on Buildings	(2,25,000)	(2,15,000)
	<u>7,53,100</u>	<u>5,63,600</u>	Land	60,000	50,000
				<u>7,53,100</u>	<u>5,63,600</u>

Income Statement for the year ended December 31 2015

Sales		8,10,000
Cost of Goods sold		4,60,000
Gross Profit on Sales		3,50,000
Operating Expenses:		
Depreciation on machinery	20,000	
Depreciation on Buildings	10,000	
Other Operating Expenses	1,75,500	2,05,500
Income before Income tax		1,44,500
Income Tax		69,500
		<u>75,000</u>

Additional Information:

- Dividend of Rs.40,000 were declared during the year
- Machinery with an original cost of Rs.80,000 and accumulated depreciation of Rs.74,000 was sold during the year for Rs.6,000 cash. New Machinery was also purchased for Rs.1,00,000 cash

- iii. Land and Buildings were acquired during theyear at a cost of Rs.1,115,000. In addition to the down payment of Rs.15,000, a ten year 10% mortgage note for Rs.1,00,000 was issued to the vendor.
31. Z Ltd was registered with a nominal capital of Rs.5,00,000 divided into shares of Rs.100 each. Following Trial balance is extracted from the books on 31st March 2016.

	Rs.		Rs.
Salaries	60,000	Creditors	92,000.
Directors Fees	10,000	Provision for Depreciation: On Building On Machinery	50,000 55,000
Rent	26,000	14% Debentures	2,00,000
Depreciation	20,000	Interest on Debentures accrued but not due	14,000
Bad Debts	6,000	Interest on Investments	12,000
Interest accrued on Investment	2,000	Unclaimed Dividend	5,000
Investment:12,000 shares of ALtd. Rs.10 each, Rs.8 paid up	1,20,000	Sales	5,20,000
Buildings	2,90,000	Salary outstanding	2,000
Machinery	1,00,000	Provision for Bad Debts (1.4.2015)	3,000
Closing Stock	90,000	Share Capital	2,00,000
Purchase(adjusted)	2,10,000	General Reserve	40,000
Debenture Interest	28,000	Surplus A/c	25,000
Loose Tools	23,000		
Advance tax	60,000		
Sundry Expenses	18,000		
Debtors	1,25,000		
Bank	30,000		
	12,18,000		12,18,000

Prepare Statement of Profit and Loss for the year ending 31st march, 2016 and Balance Sheet after considering the following;

- i. Closing stock is more than opening stock by Rs.30,000
- ii. Provide for bad debts @ 4% on Debtors
- iii. Make a provision for Income Tax @ 40%
- iv. Depreciation expense including depreciation of Rs.8,000 on buildings and that of Rs.12,000 on Machinery.
- v. The directors recommended a dividend @ 25%
- vi. Transfer required amount to General Reserve

(2 x 15 = 30 marks)

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BC2C02 – Marketing Management

(2016 Admission onwards)

Max. Time: 3 hours

Max. Marks:

Part A

Answer all the questions.

Each question carries 1 mark.

1. Grading is afunction of Marketing
(a) Research (b) Exchange (c) Facilitating (d) Selling
2.is called online identity theft.
(a) Phishing (b) Spoofing (c) Theft (d) None of these
3.is not an element of service marketing mix
(a)Physical evidence (b) People (c) Package (d) Process
4. A market where supply exceeds demand is known as ...
(a)Sellers market (b) Buyers market (c) Capital market (d) None of these
5. The concept of market segmentation was introduced by:
(a)Philip Kotler (b) Robert Ross (b) NH Borden (d) Windel R Smi
6. The method of pricing based on variable cost is known as
7. A brand created and owned by the producer or manufacturer is calledbrand.
8. Hawker is an example for retailer.
9. EFT stands for
10. Motive to buy a product from a specific shop is called

(10 x 1 = 10 marks)

Part B

Answer any eight of the following.

Each question carries 2 marks.

11. Define Marketing
12. What are the reasons for market segmentation?
13. What is the role of packaging in modern marketing?
14. What do you mean by rural marketing?
15. Distinguish between Traditional Marketing and e-Marketing..
16. What is a digital signature?
17. What is point of purchase advertisement??
18. What are the features of a retailer?
19. What is product positioning?
20. What is franchising?

Part C

**Answer any six of the following.
Each question carries 4 marks.**

21. What all are the recent trends in marketing?
22. Enumerate the functions of labeling.
23. What are the features of e- marketing?
24. Suggest the suitable strategies for successful rural marketing.
25. What are the difference between consumer market and industrial market?
26. Explain the objectives of market research.
27. What are the factors affecting the channel of distribution?
28. Briefly explain the objectives of pricing.

(6 x 4 = 24 Marks)

Part D

**Answer any two of the following.
Each question carries 15 marks.**

29. Define service marketing. Discuss its features and problems.
30. Explain in detail the classification of Markets.
31. What is promotion mix? What are the factors to be considered while designing the promotion mix?

(2 x 15 = 30 Marks)