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Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester BBA Degree Examination, November 2024

BBA3B04 – Corporate Accounting

(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks: 80

**Part A****All questions can be attended**

1. What are international accounting standards?
2. What is IFRS convergence?
3. What do you mean by cost of conversion?
4. Define 'contingent asset'.
5. What do you mean by redemption of preference shares ?
6. What is divisible profit?
7. What are accounting ratios ?
8. What do you mean by revenue reserve?
9. How the various activities are classified while preparing cash flow statement?
10. What does P/E ratio indicate?
11. From the following details, calculate interest coverage ratio:
  - a. Net Profit after tax ₹. 60,000;
  - b. 15% Long-term debt ₹10,00,000; and
  - c. Tax rate 40%.
12. Zento Ltd. purchased for cancellation 1,000 of its own 10% debentures of ₹. 100/- each at ₹.97/-. The cost of purchase amounted to ₹.200/- (ignore interest). Give journal entries.
13. An entity's PPE 's carrying value ₹12,00,000/-; Revalued at ₹16,00,000; Rate of Tax 30%. What is the deferred tax liability?.
14. How is revaluation gain accounted as per Ind AS 16?
15. Distinguish between Cum-interest quotation and Ex-Interest quotation.

(15 X 2 =30, Maximum ceiling 25 marks)

## Part B

All questions can be attended

16. Discuss the principles of presentation of financial elements.
17. Discuss benefits of IFRS adoption.
18. Capital construction Ltd ordered 10,000 units of bricks at ₹40/- per brick. The purchase price includes excise duty of ₹5 per unit. However, 100% GST credit is admissible. Freight charges are ₹79,000. Normal transit loss is 2%. But the company actually received only 9700 bricks. It used 8800 bricks in the construction process. Compute the cost of inventory under Ind AS 2.
19. Edice Ltd had 8000, 8% redeemable preference shares of ₹ 25 each, ₹ 20 called up. The company decided to redeem the preference shares at 5% premium by the issue of sufficient number of equity shares of ₹10 each fully paid up at a premium of 10%. Pass journal entries relating to redemption.
20. X Ltd. decided to redeem ₹1,00,000 debentures at a premium of 20%. Give journal entries for redemption of the debentures if they are redeemed out of capital.
21. A company carried forward balance of ₹ 40,000 from the P&L A/c from the year ended 31<sup>st</sup> March 2022. During the year 2022-2023 it made a further profit of ₹ 3,10,000 before providing taxation. The following decisions carried out during the year.
  - a) Provision for taxation ₹ 1,50,000
  - b) Dividend equalization reserve ₹ 25,000
  - c) Dividend on 8% preference shares of ₹ 2,00,000
  - d) Dividend at 15% on 30,000 equity shares of ₹ 10 each fully paid
  - e) General Reserve ₹ 35,000
  - f) Development rebate reserve ₹ 35,000

Prepare Surplus/Deficit in Statement of Profit & Loss.

22. From the following information calculate cash flows from investing activities.

Plant and machinery in the beginning of the year (Net)	₹5,00,000
Plant and Machinery at the end of the year (Net)	₹6,00,000
Depreciation charged on plant and machinery	₹30,000
Plant and machinery having book value of ₹15000 was sold for	₹12000



23. The net sales of Apple Co. are ₹20 crores. The EBIT of the company as a percentage of sales is 15%. The capital employed of the company comprises of the following:-

	Amount(in Crores)
Equity capital	6
12% Preference shares	1
16% debt capital	3

The company's profit is subject to tax at 50%. Calculate the Return on Equity (ROE) for the company.

(8 X 5 =40, Maximum ceiling 35 marks)

### PART C

Answer any *two* questions

24. Define accounting standards? What are their advantages and disadvantages?  
 25. The following is the Trial balance of Malabar Cements Ltd. on 31-03-2023

Debit Balances	Amount (₹)	Credit Balances	Amount(₹)
Stock (1-4-2022)	75,000	Sales	3,50,000
Purchases	2,45,000	P&L statement (31-03-2022)	15,030
Wages	50,000	Equity Share Capital (10,000 Shares)	1,00,000
Furniture and Fittings	17,000	Sundry creditors	17,500
Salaries	7,500	Reserve Fund	15,500
Rent	4,950	Discount Received	5,000
Sundry Expenses	7,050		
Dividend paid	9,000		
Debtors	37,500		
Machinery	29,000		
Cash in hand	10,200		
Cash at bank	6,000		
Patents and Trade Mark	4,830		
	<b>5,03,030</b>		<b>5,03,030</b>

Adjustments: (1) Stock on 31-03-2023 was worth ₹82,000; (2) Depreciate fixed assets at 10%; (3) Make provision for income tax at the rate of 50%.

Prepare Statement of P&L account and Balance sheet for the year ended 31-03-2023 in the form prescribed under Companies Act 2013.

26. The following are the ratios relating to the activities of National Traders Limited:

Stock Velocity	6 Months
Creditors Velocity	2 Months
Debtors Velocity	3 Months
Gross Profit Ratio	25%

Gross profit for the year ended 31<sup>st</sup> March 2023 amounts to ₹4,00,000. Closing stock of the year is Rs.10,000 above the opening stock. Bills receivable amount to ₹.25,000 and bills payable to 10,000.

**Find out**

- (a) Sales                      (b) Purchases                      (c) Sundry Creditors  
(d) Sundry debtors      (e) Closing Stock

27. The comparative Balance Sheet for Ltd. are given below

	31.03.2022	31.03.2023
	(₹)	(₹)
<b>Assets:</b>		
Cash	82,000	22,000
Debtors	1,04,000	24,000
Stock	1,12,000	60,000
Prepaid Expenses	22,000	14,000
Plant & Machinery	3,80,000	3,60,000
Goodwill	36,000	40,000
	<b>7,36,000</b>	<b>5,20,000</b>
<b>Liabilities:</b>		
Creditors	30,000	14,000
Provisions for Depreciation	1,00,000	60,000
Debentures	1,02,000	1,02,000
Premium on Debenture issue	12,000	18,000
Share Capital	1,90,000	90,000
Share Premium	30,000	-----
Reserves and Surplus	2,72,000	2,36,000
	<b>7,36,000</b>	<b>5,20,000</b>

The following additional information is available from the accounting records for 2023

- a) Net profit for the year ₹.66,000  
b) Debenture Premium of ₹ 6,000 was amortized during the year

You are required to prepare Cash Flow Statement

(10 x 2 =20 Marks)



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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester BBA Degree Examination, November 2024

**BBA3B05 – Financial Management**

(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks: 80

**PART A**

(Answer all questions)

1. Define cost of capital.
2. What is NPV?
3. How projects are evaluated under ARR method?
4. State the various elements of finance function.
5. What is trading on equity?
6. What is optimum capital structure?
7. What is cost of retained earnings?
8. Write the formula and its components for computing IRR.
9. What is operating leverage?
10. State the need for working capital.
11. How scrap value is treated in discounted cash flow methods?
12. What is receivables management?
13. What is inventory turnover ratio?
14. If the sales of a company are Rs 500000, variable cost is 70% of sales and fixed cost is Rs 100000, what will be the operating leverage?
15. A company issues 1000, 10% preference shares of Rs 100 each at a discount of 5%. Cost of raising capital is Rs 2000. Compute cost of preference shares.

(15 X 2 = 30, Maximum ceiling 25 Marks)

**PART B**

(Answer all questions)

16. Why financial management is important?
17. Explain the various types of cost of capital.
18. "Working capital must be adequate but at the same time, not excessive". Comment
19. Distinguish between financial and operating leverages.
20. Explain the various discounted cash flow techniques of capital budgeting.

21. The sales output of a firm is 100000 units and total sales are Rs 200000. Variable cost is Rs 0.70 per unit and fixed cost is Rs 65000. Calculate operating, financial and combined leverages, if interest on borrowed capital is Rs 15000.
22. A project costs Rs 6000 and is expected to generate cash inflows of Rs 2000 over its life of 5 years. Calculate IRR.
23. Calculate EOQ and also the number of placing orders to be placed in a year.
- Annual consumption – 10000 kgs  
 Cost of placing an order – Rs 50  
 Storage cost – 8% on average inventory  
 Cost per kilogram of material – Rs 2

(8 X 5 = 40, Maximum ceiling 35 Marks)

### PART C

(Answer any two questions)

24. "Length of operating cycle is the major determinant of working capital needs". Elucidate
25. Explain the various factors determining the dividend policy of a company.
26. AB Ltd is considering the purchase of a new machine which will carry out some operations performed by manual labour. Damsel and Shylock are the two alternative models. From the following information, you are required to prepare a profitability statement and work out the payback period in respect of each asset.

	Damsel	Shylock
Estimated life (Years)	10	12
Cost	300000	500000
Cost of indirect materials	12000	16000
Estimated savings in scrap	20000	30000
Additional cost of maintenance	14000	22000
Additional cost of supervision	24000	32000
Estimated savings in direct wages:		
Employees not required	150	200
Wages per employee	1200	1200

Taxation is to be regarded as 50% of profit. Which model can be recommended for purchase? Give reason for your answer.

27. Prepare an estimate of working capital requirements from the following information of a trading concern:

Projected annual sales – Rs 100000

Selling price – Rs 8 per unit

Percentage of net profit on sales - 25%

Average credit period allowed to customers – 8 weeks

Average credit period allowed by suppliers – 4 weeks

Average stock holding in terms of sales – 12 weeks

Allow 5% margin for contingencies

(2 X 10 = 20 Marks)



FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Third Semester BBA Degree Examination, November 2024  
**BBA3C02 – Business Regulations**  
(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks: 80

**Part A**  
**Answer all questions**

1. Define contract as given in section 2(h) of Indian Contract Act
2. What is voidable contract?
3. When a contract is said to be caused by undue influence?
4. What is the impact of mistake of foreign law on validity of a contract?
5. What is a contingent contract?
6. How quasi-contract is different from a contract?
7. What you mean by a continuing guarantee?
8. What is bailment?
9. What is meant by quantum meruit?
10. Define the term 'warranty' under Sales of Goods Act
11. What you mean by contingent goods?
12. What is irrevocable agency?
13. What is meant by consumer dispute?
14. What you mean by AAEC in Competition Act?
15. State any two objectives of RTI Act?

(15 x 2 = 30, Maximum ceiling 25 marks)

**PART B**  
**Answer all questions**

16. Write short notes on
  - a) Unilateral and bilateral contracts
  - b) Express and implied contracts
17. Differentiate between sub agent and substituted agent.
18. What are the rights of indemnity holder?
19. How particular lien is different from general lien?
20. Differentiate between sale and agreement to sell
21. What type of information can be obtained under RTI Act?
22. What are the duties of CCI?
23. How Competition Act is different from MRTP Act?

(8x5 = 40, Maximum ceiling 35 marks)



**PART C**  
**Answer any two questions**

- 24. Discuss the essentials of a valid contract.
- 25. What are the implied conditions and warranties in sale of goods
- 26. Elaborate the personal liability of an agent
- 27. What are the information exempted from disclosure, by public authorities, under RTI Act?

**(2x10 = 20 Marks)**