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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester BBA Degree Examination, March 2017

BBIIB02 – 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. Which of the following is not a branch of accounting
   a. Financial Accounting   b. Management Accounting   c. Cost Accounting d. Book Keeping
2. Bank account is a -------- account.
   a.   Personal Account b. Real Account c. Nominal Account d. None of these
3. Free samples given to customers is debited to ------ account
   a.   Goods Account b. Stock Account c. Advertisement Account d. Purchase Account
4. Overhauling expenses of a second hand machinery is ---------
   a.   Capital Expenditure b. Revenue Expenditure c. Deferred Revenue Expenses d. None of
        these
5. Income and Expenditure contains ---------
   a.   Only Revenue items b. Only Capital items c. Both Revenue and capital items d. None
        of these
6. The provision for unrealized profit on stock is also known as --------
7. Goods sent by Head office to branch but not reached at branch is treated as ---------
8. Hotels on wheels are called -----
9. -------- is both a journal and ledger
10. A journal entry containing more than one debit or one credit is called ------ entry

                                                          (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. Distinguish book-keeping and accounting
12. What is mercantile system of accounting ?
13. What is deferred revenue expenditure? Give an example.
14. Give any two merits of Hire purchase system
15. Define Accounting Standard.
16. State the purpose of preparing Cash Book.
17. What are the usual accounts prepared under stock and debtors system?
18. Define Trial Balance
19. What is marshalling of balance sheet?
20. Distinguish Cash discount and Trade Discount.

                                                          (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 are the distinction between hire purchase and installment system?

22. State the differences between Income and Expenditure Account and Receipt and payment Account.

23. What do you mean by measurement of elements of financial statements? Explain the different bases used for measurement?

24. Calculate Cash Price of the asset.
    Payment made on signing the agreement Rs.2,000
    Payment at the end of the first year Rs.2,800
    Payment at the end of the second year Rs.2,600
    Payment at the end of the third year Rs.2,400
    Payment at the end of the fourth year Rs.2,200
    Interest charged @ 10% p.a.

25. Prepare a single column Cash Book from the following particulars of Mr.Muhammed

2015	Opening balance Cash	Rs. 26,000
March 1	Bank	5,000
2	Deposited into bank	6,000
4	Received cash from Bimal	125,00
5	Purchased goods from Sudhir	12,850
6	Paid cash to Sunder	3,000
8	Received interest	500
10	Cash Sales	6,500
12	Received cheque from Swamy	5,000
14	Withdrew cash from bank for personal use	1,000
16	Paid Salary by cheque	5,000
18	Ravi, a customer paid directly into our bank account	12,000
21	Withdrew cash for office use	2,000
25	Received cash on sales	5,000
31	Paid rent	2,000

26. What do you understand by room occupancy Rate? Calculate room occupancy rate from the following details:

    A five star hotel in Mumbai has 660 rooms in all, out of which 52 rooms are used for operational purposes and 8 rooms are used by the staff. If 48 rooms are occupied by guests on 15th march 2015.

27. Taj Traders Agra opened a branch at Delhi on 1st January 2015. From the following particulars prepare a Branch account under debtors system:
    Goods sent to branch Rs.1,00,000
    Cash sales at branch Rs.60,000
    Credit Sales at the branch Rs.70,000
    Expenses of branch paid by Head office:
    Salaries Rs.20,000
    Office expenses Rs.12,000

Cash remitted to branch towards petty cash Rs.6,000
Petty cash at branch on 31.12.2015 Rs.500
Debtors at branch on 31.12.2015 Rs.5,000
Stock at branch on 31.12.2015 Rs.27,000
Cash received from debtors Rs.55,000

8. Calculate the amount of stationery to be debited to Income and Expenditure Account for the year ending 31st December 2015 in respect of stationery consumed.
Stock of stationery as on 1st January 2015 Rs.2,300
Amount paid for stationery during the year Rs.3,500
Creditors for stationery on 1st January 2015 Rs.1,000
Creditors for stationery on 31st December 2015 Rs.1,500
Advance payment for stationery as on 1st January 2015 Rs.1,250
Advance payment for stationery as on 31st December 2015 Rs.520
Stock of stationery as on 31st December 2015 Rs.315

(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.

9. Prepare Income and expenditure Account and Balance Sheet for the period 31.12.2015 from the following Receipts and payment account of Chennai Club on that date

Receipts	Amount Rs.	Payments	Amount Rs.
Cash in hand	15,000	8% Investments	6,000
Cash at bank	20,000	Billiard table	8 000
Donations	5,000	Salary	2,000
Subscriptions	12,000	Repairs	500
Entrance fees	1,000	Furniture	6,000
Interest on Investments	100	Miscellaneous expenses	500
Interest received from bank	400	Insurance Premium	1,200
Sale of old news paper	150	Stationery	200
Sale of Drama Tickets	1,050	Drama Expenses	1,000
		Cash in hand	11,800
		Cash at bank	17,500
	54,700		54,700

onal information:

One half of the donations to be capitalized
Entrance fees are to be treated as revenue
Subscription arrear for 2015 Rs.1,200 and subscriptions in advance for the year 2016 Rs.550
Insurance premium outstanding Rs.600

5. Billiard Table costing Rs.30,000 was purchased during the last year and Rs.22,000 were paid for it.
6. Investments were purchased at the beginning of the year.

30. From the following figures prepare accounts to disclose total profit and profit of the two departments A and B.

Opening Stock	A	7,600
	B	5,400
Purchases	A	37,550
	B	34.900
Carriage inwards		1430
Salaries	A	4,500
	B	4,250
General Expenses		5,800
Rent and Wages		3,000
Advertising		4,050
Insurance		500
Office Expenses		2,700
Discount Allowed		900
Audit Fees		250
Sales	A	50,000
	B	40,000
Purchase returns	A	500
	B	400
Discount Received		715

Additional Information:

i. Goods transferred from department A to B were worth Rs.2,500. This has not been recorded
ii. General Expenses is to be allocated equally
iii. The area occupied is in the ratio of 3:2
iv. Insurance Premium is for a comprehensive policy, allocation being inconvenient.
v. Closing stock : Dept. A Rs.8,900; Dept. B Rs. 7,800

31. Explain Accounting concepts and conventions.

(2 x 15 = 30 mar

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PART I

Ten 'Objective questions' consisting of five multiple choices and five fill in Blanks types which carry **one mark** each, with total mark of **10**

1.   Why Drop Caps are used in Document?

A) To drop all the capital letters
B) To automatically begin each paragraph with capital letters
C) To begin a paragraph with a large dropped initial capital letter
D) None of above

2.   A -------- is a telecommunication device that serves as an entrance to another network

A) switch   B) gateway
C) router   D) bridge

3.   In word-processing, the task of changing the appearance of a document is called:

A) Formatting   B) Proofing
C) Editing   D) Inserting

4.   What is the name for match between the words or phrases being searched and the items found in an electronic database?

A) Bug   B) It
C) Hit   D) Default

5.   This is used to transfer a web page to user computer:

A) HTTP   B) HTML   C) HXML   D) HLL

6.   DDL stands for ----------------

7.   MS office program used for desktop publishing is called --------

8.   ------- is also known as Row

9.   Moving around document is called ----------

10.   ROM is a ---------- memory.

(10 x 1 = 10 Marks)

PART II

Answer any **Eight** out of Ten 'Short answer questions' to be answered in two or three sentences, which carry **2 marks** each, with total marks of **16**

11. Define automation.

12. What is Facsimile?

13. What is an operating system?

14. How will you insert a table into a word document?

15. Name two types of animations used in Power point.

16. Write a note on Scenario management

17. What is an append query?

18. What is Hotspot?

19. What do you understand by Internet Protocol suite?

20. List the components of excel.

(8 x 2 = 16 Marks)

PART III

Answer any **Six out** of the Eight 'Short essay questions' to be answered in 150 to 200 words, which carry **4 marks** each, with total marks of **24**

21. What are the different types of computer networks?

22. Discuss the importance of Teleconference and Video conference system in today's business world

23. Write a note on Cut and Copy command.

24. Describe the process of printing slides.

25. What are the components of Access?

26. How can you ensure data integrity?

27. What are the uses of Electronic Spread sheet?

28. Who is Data base administrator? What are the functions of DBA?

(6 x 4 = 24 Marks)

PART IV

Answer any **Two out** of the Three 'Essay questions' to be answered in 600 to 800 words, which carry **15 marks** each , with total marks of **30**

29. What do you understand by DBMS? What are the components of DBMS?

30. Discuss different financial functions available in Excel

31. How can you design and run queries in MS Access?

(2 x 15 = 30 Marks)

24 Explain the principle of least squares; obtain the least square estimate of a and b for the regression line y=a+bx.

25 Calculate spearman's rank correlation coefficient from the following data
X:10   15   12   17   13   16   24   14   22
Y:30   42   45   46   33   34   40   35   39

26 A fair coin is tossed three times. Let A is the event that a head occur on each of the first two tosses. B is the event that a tail occur on the third toss. C is the event that exactly two tails occur in the three tosses. Show that 1) A and B are independent
2) B and C are dependent.

27 A pair of fair dice is thrown. Let X be the r.v defined by the minimum of two numbers which occur. Find the probability distribution of X, obtain its DF , sketch its graph.

28 The probability that an open heart operation is successful is 0.84, what is the probability that in two randomly selected open heart operations at least one will be successful.

29 A continuous r.v X has probability density function $f(x) = ke^{\frac{-x}{5}}$ for x>0, and 0 . elsewhere. 1) find k.   2)show that for any two positive numbers s and t P(X>s+t/X>s)= P(X>t).   (6x5=30)

PART D

Answer any **three** questions each question carries **eight** marks

30 The following data gives the number of new car sold at a dealership during a 20 days period.
8   5   12   3   9   10   6   12   8   8
4   16   10   11   7   7   3   5   9   11
1) calculate the value of 3 quartiles and Q.D.
2)Find the value of the 25 th percentile , give a brief interpretation of this percentile.
3)Find the percentile rank of 10, give a brief interpretation of this percentile rank.

31 Given the two equations of the regression lines
$8x - 10y + 66 = 0$, $40x - 18y - 214 = 0$
1) Identify the two regression lines.
2) Obtain regression coefficients and correlation coefficient.
3) Find the mean value of x and y
4) Given the standard deviation of x =4, find the standard deviation of y.

32 $f(x) = |x| \ for |x| \le c, and \ 0 \ elswhere$
1) Determine c to make f(x) a p.d.f.
2) Obtain distribution function of X.

33 1) state and prove Baye's theorem.
2) A laboratory blood test is 95 percent effective in detecting a certain disease, when it is, In fact, present. However the test also yield a "false positive" result for one percent of healthy persons tested. If 0.5 percent of the population actually has the disease, what is the probability a person has the disease given that the test result is positive.

34 1) For 10 observations on price(x) and supply(y) the following data were obtained.
$\Sigma x = 130$, $\Sigma x^2 = 2288$, $\Sigma y = 200$, $\Sigma y^2 = 5506$, $\Sigma xy = 3467$
Obtain regression line of y on x, and estimate supply when the price is 16 units.

2)If θ is the angle between the two regression lines show that $\tan \theta = \frac{1-r^2}{r}\left(\frac{\sigma x \sigma y}{\sigma_x^2 + \sigma_y^2}\right)$

(3 x 8=24 Marks)