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END SEMESTER EXAMINATION – APRIL/MAY 2026

BUSINESS ADMINISTRATION – II SEMESTER BBA

24BBA23A: FINANCIAL ACCOUNTING

(REPEATERS)

Time: 3 Hours **Max. Marks: 80**

Instruction: *Answer should be written completely in English*

SECTION – A

1.Answer any **SEVEN** questions. Each question carries **TWO** marks. **(7X2=14)**

a) What is meant by accounting standards?
b) State any two features of IFRS.
c) Mention two objectives of departmental accounting?
d) What is branch accounting?
e) Give two examples of a direct expense in departmental accounting.
f) Name any two systems of branch accounting.
g) What is a fire insurance claim?
h) How is gross profit ratio calculated for fire claims?
i) Who are the parties involved in a bill of exchange?
j) Define Salvage in fire insurance claims.

SECTION - B

Answer any **THREE** questions. Each question carries **EIGHT** marks. **(3X8=24)**

2. What are the benefits of using IFRS in the companies?
3. From the following information, find out the basis of apportionment to be distributed based on the ratio.
   1. Advertisement expenses
   2. Insurance
   3. Salaries of factory managers
   4. Fright and octroi
   5. Canteen welfare and recreation
   6. Depreciation on machinery
   7. Lighting and heating
   8. Workmen's compensation

4. Calculate the branch profit from the following information

Particulars	Amount
Opening balance	
Furniture	40000
Stock	600000
Goods sent to branch	1200000
Cheque sent for branch expenses	50000
Goods returned by the branch	20000
Remittance by the branch	1385000
Closing balance	
Furniture	35000
Stock	650000

5. Find out the actual claim in the following case

Value of stock on the date of fire: 25000
Value of stock saved from fire 5000
Value of insurance policy 20000
Note: There is an average clause in a policy.

6. Raju purchased goods from Suresh on 3rd January 2020 for Rs. 10,000 on credit. Suresh drew a bill on Raju for the same amount payable after 2 months. The bill was accepted by Raju and payment is made on maturity.

Pass journal entries in the books of both the parties.

SECTION – C

Answer any **THREE** questions. Each question carries **FOURTEEN** marks. **(3X14=42)**

7. What is IFRS? Explain the advantages and disadvantages of using IFRS.
8. A firm has two dept's A and B. during the trading period ending 31-03-2015. The following information whereas follows.

Particulars	Dept A	Dept B	Total
Opening stock	5000	7000	12000
Purchases	42000	52000	94000
Sales	80000	93000	173000
Purchase returns	2000	2000	4000
Sales returns	2000	2000	4000
Closing stock	6000	8000	14000
Wages	5000	6000	11000
Carriage inwards	-	-	4500
Discount received	-	-	1800
Carriage outwards	-	-	1300
Salaries	10000	13000	23000
General salaries	-	-	13000
Rent rate and taxes	-	-	5000
Discount allowed	-	-	1300
Sundry expenses	-	-	2600

Prepare trading and profit and loss account

1. Rent rate and taxes are pertaining to business premises which are occurred by 2 dept's equally (1:1)
2. Depreciation at 10% charge on machinery cost Rs. 60000 which is used by two departments at the ratio 2:1

9. Using "Debtor System" find the profit or loss made by the Belgaum Branch for the year ending 31-03-2021. Gods are invoiced to branch at a profit of 25% on invoice price.

Stock on 1st April 2020 at invoice price.	30000
Debtors on first April 2020.	15000
Good sent to branch at invoice price	12000
Cash sales.	45000
Credit sales	95000
Cash received from debtors	90000
Discount allowed to debtors.	1500
Cash sent to branch for expenses: For salary For Rent For other expenses	 10000 5000 2500
Stock on 31st March 2021 at invoice price.	10000

10. A fire on October 1st, 2024, destroyed the stock of a firm. The business records were saved and from the following particulars were ascertained.

Stock at cost 1st April 2023.	44300
Stock at cost 31st march 2024.	37550
Sales for the year 31st march 2024.	152500
Purchases for the year 31st March 2024.	103850
Sales from 1st April 2024 to 1st October 2024.	59000
Purchases from 1st April 2024 to 1st October 2024.	37350

In valuing the stock on 31st March 2024 is 8 had been written of a particular line of goods which had originally cost 1800 and which were sold in June 2024 for 1750. Except as regards this transaction the ratio of cross profit had remained unchanged throughout. The value of stock salvage from the fire was 5105. You are required to calculate the amount of claim to be presented to the insurance company in respect of the loss of stock.

11. Ajay and Vijay entered into an accommodation arrangement where the proceeds are to be shared 2/3 and 1/3 respectively. Ajay draws a bill for Rs. 18000 on Vijay on 5th January 2020 3 months. He gets it discounted with his bank for Rs. 17640 on 8th January and remits 1/3 shares to Vijay. On 8th march, Ajay accepted a bill for Rs. 25200 drawn on him by Vijay for 2 months Vijay discounts the same with his banker on 10th March for Rs. 24660 and remits Rs. 4440 to Ajay. Both the bills were met on maturity by both the parties. Write the journal entries as it would appear in the books of Ajay and prepare Vijay account.