ST. FRANCIS DE SALES COLLEGE

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END SEMESTER EXAMINATION – MAY 2025

BUSINESS ADMINISTRATION - II SEMESTER BBA

24BBA23A-FINANCIAL ACCOUNTING

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. **(7X 2=14)**

a) What is meant by accounting standards?

b) Mention any two disadvantages of adopting IFRS

c) What do you mean by inter - departmental transfers?

d) Give any two advantages of departmental accounting.

e) What is the difference between a dependent and an independent branch?

f) How is profit determined under the debtor's system?

g) Define the term 'stock on the date of fire'.

h) What is a fire insurance claim?

i) What is the difference between a bill of exchange and a promissory note?

j) What do you mean by Noting of Bill?

SECTION -B

Answer any **THREE** questions. Each question carries **EIGHT** marks. **(3X 8=24)**

2. What are the advantages of IFRS?

3. From the following information, find out the basis of apportionment to be distributed based on the ratio.

   a. Advertisement expenses
   b. Insurance
   c. Salaries of factory managers
   d. Fright and octroi
   e. Canteen welfare and recreation
   f. Depreciation on machinery
   g. Lighting and heating
   h. Workmen's compensation

4. A limited company with its head office in Bangalore has a branch at Mysore. You are given a following information relating to Mysore branch for the year ended 31.03.2014

Particular		**Amount**
Stock at branch on 01.04.2013		32600
Petty cash at branch on 01.04.2013		110
Goods sent to branch		45600
Goods returned by branch		3900
Cash sent to branch for expenses		
Salaries	12800	
Rent	3000	
Petty cash	2600	18400
Stock at branch on 31.03.2014		3700
Petty cash at branch on 31.03.2014		90

Cash sales	71900
Prepare branch accounts in the books of head office.	

5. Fire occurred in the premises of Mr. Ramu on October 31st, 2024. All stock were destroyed except to the extent of Rs.2800, from the following details ascertain the claim to be lodged by Mr. Ramu.

Final account of Ramu were prepared on 31.12.2023:	
Sundry Creditors on 31.12.2023	25,000
Sundry Creditors on 31.12.2024 were	20,000
Sales from 1.1.2024 to 31.10.2024 amount	1,34,000
Stock on 31.12.2023	15,000
Purchases from 1.1.2024 to 31.10.2024	90,000
Payment's creditors Normal rate of gross profit on sales was 20%.	1,30,000

6. On 1st April 2020, Deri sells goods to Sherlin for Rs. 5000 and draws a bill for 3 months for the amount due. On first June 2006, Sherlin retires her bill under a rebate of 6% per annum. Pass journal entries in the books of Deri and Sherlin.

SECTION – C

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

7. What are the objectives of accounting standards?

8. A firm has 2 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	90000
Sales	80000	93000	11000
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:

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

9. Nisha Traders has a branch at Mysore; goods are sent from the head office at cost plus 25%. The branch also purchases goods independently from local parties, for which payment is made by the branch itself out of its collections. The branch is advised to deposit the cash periodically into the head office bank account.

From the following details prepare Mysore branch account in the books of head office for the period ending 31.03.2021:

Particulars	**Amount**	**Particulars**	**Amount**
Balance as on 01.04.2020	20000	Discount allowed by branch to debtors	20,000
Petty cash	250000	Cash received by branch from debtors	1250000
Debtors	400000	Branch salary and rent paid to H. O	30,000
Furniture	-	Petty expenses paid by branch manager	35,000
Branch stock	240000		
Goods sent by H. O	160000	Branch stock 31.03.2021 Goods sent by H. O	1,80,000
Direct purchases	450000	Direct purchases	1,20,000
Cash sales	1300000		
Credit sales Returns from customers to branch	30000		
Goods sent to branch at invoice price	600000		
Cash sent to branch for petty expenses	25000		
Bad debts at the branch	10000		

10. Fire occurred in the premises of good luck company traders on first July 2024 considerable part of stock was destroyed. Stock salvage was 56000. Fire insurance policy for 342000 was taken to cover the loss of stock by fire. You are required to ascertain the insurance claim which the components should claim from the insurance company for the loss of stock by the fire from the following particulars.

- Purchases for the year 2023-24 18,76,000
- Sales for the year 2023-24 23,20,000
- Purchases from 1st April 2024 to the date of fire. 3,64,000
- Sales from 1st April 2024 to the date of fire. 4,80,000
- Stock on 1st April 2023. 2,88,000
- Stock on 31st March 2024. 4,84,000
- Wages paid during 1st April 2024 to the date of fire. 36,000
- Wages during the year 2023-24. 2,00,000

Fire also broke out on 31st March 2024 and destroyed stock of estimated cost of Rs. 100000. There was a practice in the concern to value stock at cost less 10% but suddenly, this practice was changed and stock on 31st March 2024 was valued at cost plus 10%.

11. R owned Rs.1000 to S. On 1st October 2019, R accepted a bill drawn by S for the amount at 3 months. S got the bill discounted with his bank for rupees 900 on 3rd October 2019. Before that you date R approach S for renewal of Bill. S agreed on the conditions that rupees 500 B paid immediately. Together with interest on the remaining amount at 12% per annum for 3 months and for the balance should accept new bullet 3 months. These arrangements were carried out but afterwards are became insolvent and 40% of the amount could be recovered from his estate. Pass journal entries in the books of S with narration.