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Reg. No.....

Name.....

**FIVE YEAR B.B.A., LL.B. (HONOURS) DEGREE EXAMINATION
MAY 2026**

Second Semester

FB-4—FINANCIAL ACCOUNTING

(2025 Admissions—Regular, 2018—2024 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. What are financial statements ?
2. What are adjusting and closing entries ? Give examples.
3. Mention the limitations of Incomplete Records.
4. Explain the term recurring and non-recurring expenses in connection with consignment.
5. Write a short note on "Stock and Debtors" system.
6. What is Royalty Account ? Give some examples.

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. What are the various types of accounting errors ? Discuss in brief.
8. What are the main class of Branch Accounts ? Explain in brief.

Turn over

9. The following is the Trial Balance of a trader as on 31st December, 2024.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Sales		1,20,000
Purchases	85,000	
Import duty	5,000	
Factory expenses	3,000	
Office expenses	6,000	
Debtors and creditors	30,000	28,500
Commission		1,500
Bad debts	2,500	
10 % investments	20,000	
Interest on investments		1,500
Opening stock	15,000	
General expenses	3,000	
Cash in hand	2,000	
Machinery	40,000	
Capital		60,000
	2,11,500	2,11,500

Adjustments :

- (i) Closing stock valued at Rs. 29,500
- (ii) Provide 5 % of debtors for bad debts.
- (iii) Interest on investments for 3 months is outstanding.
- (iv) Commission received in advance Rs. 300.
- (v) Depreciate machinery by 20 %.

10. Delta Coal Co. acquired a lease a coalmine on a royalty of Re. 0.50 per ton of coal brought with a minimum rent of Rs. 56,000 a year with no right to recover shortworkings except in case of strike. The following was the production for different years.

1 st year	20,000 tons
2 nd year	80,000 tons
3 rd year	1,20,000 tons
4 th year	1,70,000 tons
5 th year	80,000 tons

In the 5th year, there was a strike. Show the Minimum Rent Account, Royalty Account and Shortworkings Accounts for the five years.

(3 × 10 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

11. Mummy Traders Chennai consigned 200 electric stoves of the cost of Rs. 400 each to Son and Sons electronics, Cochin at 25 % above cost. The expenses at Chennai were Rs. 4,000 for packing, forwarding and insurance. During transit 20 stoves were damaged by accident for which the insurance company admitted a claim of Rs. 5,000. The amount is later received by the Consignor.

Sons and Sons electronic took delivery of the whole Consignment after accepting a bill of Rs. 40,000 drawn against it. The damaged stoves are immediately sold for Rs. 2,000. of the balance, Sons and Sons Electronics sold 150 stoves Rs. 600. Their expenses amounted to Rs. 1,200. The Consignee is entitled to a commission 6 % on gross sales.

Prepare important Ledger Accounts in the books of Mummy Traders.

12. M/S Liberty Traders, Madurai, have opened a branch at Trichy on 1-7-23. The goods were sent by the Head Office to the branch and invoiced at selling price of the branch which was 125 % of the cost price of the Head Office.

The following are the particulars relating to the transactions of Trichy Branch :

	Rs.
Goods sent to branch (at cost to H.O)	2,80,000
Sales :	
Cash	1,25,000
Credit	1,75,000
Cash collected from debtors	1,56,000
Discount allowed	4,000
Wages	3,000
Freight	11,000
Other Exp. Including godown rent	6,000
	20,000
Spoiled cloth in bales written off at invoice price	500
Stock on June 30, 2024, at invoice price	55,500

Ascertain the gross profit and net profit for the Trichy Branch for the year ended June 30, 2024, after preparing Branch Stock Account and Branch Debtors Account.

13. Explain the steps to be taken to convert the Single Entry System into Double Entry System.

(2 × 15 = 30 marks)