



NP – 394

II Semester B.B.A. Examination, July/August 2024
(NEP Scheme)

BUSINESS ADMINISTRATION
Paper 2.1 : Financial Accounting and Reporting

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer should be written in **English** only.

SECTION – A

1. Answer **any 6** of the following sub-questions. **Each** sub-question carries **2** marks. **(6×2=12)**
- a) Expand :
 - i) MCA
 - ii) IASC
 - b) What is dependent branch ?
 - c) Give the meaning of Installment purchase system.
 - d) What is salvage ?
 - e) What is invoice price ?
 - f) What are Inter-departmental transfer ?
 - g) Give the meaning of fire Insurance claim.
 - h) How do you allocate the following expenses to departments ?
 - i) Carriage outward
 - ii) Carriage inward.

SECTION – B

- Answer **any 3** of the following questions. **Each** question carries **4** marks. **(3×4=12)**
2. Explain in brief features of IFRS.
3. A fire occurred on November 14, 2023 in the shop of Gurumurthy. From the following particulars, calculate the amount of fire insurance claim.
- Stock on 1/1/2023 ₹ 85,000
 - Purchases from 1/1/2023 to the date of fire ₹ 8,50,000
 - Sales from 1/1/2023 to the date of fire ₹ 10,00,000
 - Wages ₹ 85,000
 - Stock salvage ₹ 20,000
 - The rate of Gross profit on sales 25%.

P.T.O.



4. Mr. Zayan purchases E-Vehicle on hire purchase system. Calculate cash price of the E-vehicle from the following :

Down payment	₹ 20,000
I instalment	₹ 28,000
II instalment	₹ 36,000
III instalment	₹ 33,000
Rate of Interest – 10% p.a.	

5. Pavithra Ltd. had its head office in Mumbai and branch at Pune. You are given the following information pertaining to Pune branch for the year ended 31/3/2024.

Particulars	₹
Stock at branch on 1/4/23	3,84,000
Petty cash at branch on 1/4/23	1,300
Goods sent to branch	5,51,000
Goods returned by the branch	47,000
Cash sales at branch	8,52,000
Cash sent to branch for expenses	₹
i) Salaries	1,53,000
ii) Rent	36,000
iii) Petty cash	31,000
Prepare Pune Branch A/c in the books of Mumbai HO.	

6. From the following expenses, determine the basis of apportionment among the departments.
- Labour Welfare Expenses
 - Advertising Expenses
 - Repairs and Maintenance of Machinery
 - Bad debts
 - Rent and Rates
 - Discount allowed

SECTION – C

Answer **any 3** of the following questions. **Each** question carries **12** marks. **(3×12=36)**

7. List any 12 IFRS issued by IASB.
8. Bangalore HO of 9 company invoices goods to its Hubli branch at cost plus 20%. The branch also purchases independently from local traders for which payments are made by HO. All cash collections of the day is to be remitted to HO through the bank account and all expenses of the branch are directly paid by HO.

From the following show the Hubli Branch A/c in the books of Bangalore HO.

₹

Imprest cash on :

1/1/2023 60,000

31/12/2023 55,500

Debtors on 1/1/2023 7,50,000

Stock on 1/1/2023

Transferred from HO at IP 7,20,000

Direct purchases by branch 4,80,000

Total sales 52,50,000

Cash sales 13,50,000

Returns from customers 90,000

Direct purchase 13,50,000

Goods sent to branch by HO at IP 18,00,000

Transfer from HO for petty cash exp. 75,000

Bad debts 30,000

Discount to customers 60,000

Cash received from customers 37,50,000

Branch expenses 9,00,000

Stock on 31/12/2023 :

Direct purchase by branch 3,60,000

Transferred from HO at IP 5,40,000

9. From the following balances extracted from Ramachandra Stores, prepare departmental trading and P&L A/c in the columnar form for the year ended 31-3-2024.

Particulars	Debit	Credit
Stock on 1-4-2023 :	₹	₹
Dept. A	1,20,000	—
Dept. B	90,000	—

Purchases & sales :		
Dept. A	1,60,000	3,00,000
Dept. B	1,40,000	2,80,000
Carriage inward : .		
Dept. A	4,000	—
Dept. B	2,000	—
Machinery	36,000	—
Salaries	60,000	—
Rent	12,000	—
Repairs to machinery	30,000	—
Debtors and Creditors	45,000	60,000
Capital	—	1,60,000
Cash in hand	12,000	—
B/R and B/P	15,000	6,000
Drawings	20,000	—
Buildings	60,000	—
	8,06,000	8,06,000

Adjustments :

- Stock on 31-3-2024 Dept. A ₹ 1,40,000 ; Dept. B ₹ 1,20,000.
- Salaries to be divided in the ratio of 7 : 3
- Value of machinery Dept. A ₹ 20,000 ; Dept. B ₹ 16,000
- Depreciation : Machinery at 10%, Building at 5%
- Area occupied : Dept. A 3/5 ; Dept. B 2/5.

10. Jyothi purchased a car costing ₹ 8,00,000 on 1-4-2020 from TATA Motars under hire purchase system. The terms being ₹ 2,00,000 down payment and balance in three equal annual instalment together with interest at 20% p.a. on the outstanding cash price.

Depreciation is to be charged at 15% p.a. under straight line method.

Prepare necessary ledger account in the books of Jyothi under asset-accrual method.

11. Fire occurred in the premises of Sowmya Enterprises on 30-9-2023. Stock of the value of 50,500 was salvaged and the books of accounts were saved.

The following information is given :

Stock as on 31-3-2022 ₹ 1,30,000

Purchases during the year ended 31-3-2023 ₹ 3,50,000

Sales during the year ended 31-3-2023 ₹ 5,00,000

Purchases from 1-4-2023 to 30-9-2023 ₹ 1,20,000

Sales from 1-4-2023 to 30-9-2023 ₹ 1,80,000

Stock as on 31-3-2023 ₹ 1,70,000

Stock as on 31-3-2022 was undervalued by ₹ 20,000 where as it was overvalued by ₹ 10,000 on 31-3-2023.

Calculate the amount of Insurance claim.