

2019

B. Com.

1st Semester Examination

ACCOUNTING & FINANCE
(Honours)

Paper : C 1-T

Financial Accounting

Full Marks : 40

Time : 2 Hours

*The figures in the margin indicate full marks.
Candidates are required to give their answers in their
own words as far as practicable.*

1. Answer *any five* questions of the following. $2 \times 5 = 10$

- (a) Who are the users of Financial Accounting information ?
- (b) What do you mean by 'Entity' concept ?
- (c) How many Accounting Standards are there ?

[Turn Over]

(2)

- (d) How do you balance an unbalanced Trial Balance ?
- (e) What is 'Deferred Revenue Expenditure' ?
- (f) When LIFO method of inventory valuation is suitable ?
- (g) Give journal entries for provision for depreciation.
- (h) State the types of Accounting Period.

2. Answer *any four* questions of the following. $5 \times 4 = 20$

- (a) How do you convert cash basis of accounting into accrual basis of accounting ?
- (b) Distinguish between Hire Purchase and Instalment Payment System.
- (c) A Ltd. purchased a machinery worth Rs. 10,000 on 1.4.2016. The asset account is to be maintained at cost price and provision for depreciation to be made of 25% p.a. under Diminishing Balance System on 30.9.19 the machine was sold for Rs. 3,000.

Show Depreciation Reserve A/c in the book of A Ltd.

(d) Give journal entries while triparing final accounts (narration is not required).

(i) Goods costing Rs. 1,000 was distributed by way of advertisement.

(ii) Rent outstanding Rs. 2250/- *Rent to out*

(iii) A Reseve for Bad and Doubtful Debts is to be created @ 5% [Debtors balance is Rs. 50,000] *Pro to Deb*

(iv) Unexpired rates Rs. 300/-

(v) Wages include Rs. 200 for installation of plant.

(e) Write notes on :

(i) Marshalling of Assets and Liabilities

(ii) Different types of cheque.

(f) What are the necessities of providing depreciation?

[Turn Over]

3. Answer any one questions of the following.

10×1=10

(a) A and B are partner in a firm. They share profit and loss in the ratio of 4 : 1. They decided to dissolve the firm on 31.3.2016 on which date the Balance Sheet of the firm stood as follows :

Liabilities	₹	Assets	₹
Capital Accountns		Trade Marks	1,200
A – 16,000		Machinery	12,000
B – <u>6,000</u>		Furniture	400
	22,000	Stock-in-hand	6,000
Bank Loan	1,500	Debtors 9,000	
Creditors for Goods	8,000	Less : Pov. for	
B. Payable	<u>500</u>	Bad Debt. <u>400</u>	8,600
		Cash in hand	2,800
		Advertisement	
		Suspence	1,000
	32,000		32,000

The realisation shows the following results.

- (i) Debtors were realized at bank value less 10%.
- (ii) Goodwill was sold for ₹ 1,000
- (iii) Trade marks realised ₹ 800
- (iv) Machinery and stock-in bade were taken over by A respectively for ₹ 14,400 and Rs. 3,600.
- (v) An unrecorded asset estimated at Rs. 600 was sold for ₹ 2000.
- (vi) Creditors for Goods were settled at a discount ₹ 80. The expenses of realization were ₹ 400.

Prepare Realization Account, Cash Base & Capital Accounts of the particular.

(6)

(b) Write short notes on :

5+5

(i) Needs for IFRS.

(ii) Qualitative characteristics of accounting
