

I/BCO (i) (Revised)

2009

COMMERCE

Paper : BC-I

(Financial Accounting)

(Under Revised Syllabus)

Full Marks : 100

Pass Marks : 30

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 60)

*The figures in the margin indicate full marks
for the questions*

Answer any **three** questions

1. ABC Washing House is owned by Mr. KK. He keeps his books on Single Entry System. He gives you the following information :

	<i>Dec. 31, 2007</i>	<i>Dec. 31, 2008</i>
	<i>Rs</i>	<i>Rs</i>
Furniture & Fittings	10,000	12,000
Stock of Materials	6,000	2,000
Sundry Debtors	12,000	14,000
Sundry Creditors	4,000	Nil
Prepaid Expenses	Nil	400
Unpaid Expenses	1,200	2,000
Cash in Hand	2,200	600

9/7—400/132a

(Turn Over)

Receipts and Payments during the year :

	Rs
Receipts from Debtors	42,000
Paid to Creditors	20,000
Cartage	4,000
Drawings	24,000
Sundry Expenses	32,000
Furniture Purchased by Cash	2,000

Prepare the Trading and Profit & Loss Account for the year ended December 31, 2008 and a Balance Sheet after providing for bad debts at 10%. There was a considerable amount of cash sales.

20

2. Mr. K and Mr. A are partners in a firm. They share profits and losses in the ratio of 4 : 1. They decided to dissolve the firm on March 31, 2008 on which date the Balance Sheet of the same stood as follows :

Liabilities	Amount Rs	Assets	Amount Rs
Capital A/c :		Trademarks	1,200
Mr. K	16,000	Machinery	12,000
Mr. A	<u>6,000</u>	Furniture	400
	22,000	Stock-in-trade	6,000
Bank Loan	1,500	Debtors	9,000
Creditors for Goods	8,000	Less : Provision	<u>400</u>
Bills Payable	500	Cash in Hand	2,800
		Advertisement	
		Suspense	1,000
	<u>32,000</u>		<u>32,000</u>

(3)

The realization shows the following results :

- (i) Debtors were realized at book value less 10%
- (ii) Goodwill was sold for Rs 1,000
- (iii) Trademarks were realized for Rs 800
- (iv) Machinery and Stock-in-trade were taken over by Mr. K respectively for Rs 14,400 and Rs 3,600
- (v) An unrecorded asset estimated at Rs 600 was sold for Rs 200
- (vi) Creditors for goods were settled at a discount of Rs 80
- (vii) The expenses on realization were Rs 400

Prepare Realization Account, Cash Book and Capital Accounts of the partners. 20

3. What do you understand by an 'independent branch'? Differentiate between a 'dependent branch' and an 'independent branch'. Explain the system of accounting that you will adopt in each case. 5+10+5=20

4. From the following figures extracted from the books of Pi. Sangi, you are required to prepare a Trading and Profit & Loss Account for the year ended 31st March, 2008 and a Balance Sheet as on that date making the necessary adjustments : 20

<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
	<i>Rs</i>		<i>Rs</i>
Pi. Sangi's Capital	4,57,600	Stock (01.04.2007)	77,000
Pi. Sangi's Drawings	26,400	Wages	70,400
Plant and Machinery	1,98,000	Sundry Creditors	88,000
Freehold Property	1,32,000	Postage & Telegrams	3,080
Purchases	2,20,000	Insurance	3,520
Returns Outwards	2,200	Gas and Fuel	5,940
Salaries	26,400	Bad Debts	1,320
Office Expenses	5,500	Office Rent	5,720
Office Furniture	11,000	Freight	19,800
Discounts A/c (Dr.)	2,640	Loose Tools	4,400
Sundry Debtors	58,520	Factory Lighting	2,200
Loan to Pu. Sanga		Provision for Bad Debts	1,760
@ 10% p.a. balance		Interest on loan	
on 01.04.2007	88,000	to Pu. Sanga	2,200
Cash at Bank	58,520	Cash in Hand	5,280
Sales	4,62,880	Bills Payable	11,000

Adjustments :

- (i) Stock on 31st March, 2008 was valued at Rs 1,45,200
- (ii) Wages Rs 2,200 paid for erection of machinery has been debited to wages accounts

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		Suspense	1,000
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Adjustments :

- (i) Stock on 31st March, 2008 was valued at Rs 1,45,200
- (ii) Wages Rs 2,200 paid for erection of machinery has been debited to wages accounts

(5)

- (iii) Depreciate Plant and Machinery by 33.33%, Furniture by 10% and Freehold Property by 5%
- (iv) Loose Tools were valued at Rs 3,520 on 31.03.2008
- (v) Maintain a provision of 5% on Sundry Debtors for doubtful debts
5. What do you mean by Depreciation? What are the various methods of calculating depreciation? Describe one of them. 4+10+6=20
6. What is Accounting? How is it different from Book-keeping? Mention rules of debit and credit with examples. 4+10+6=20



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COMMERCE

Paper : BC-1.1

(Financial Accounting)

(Under Revised Syllabus)

(PART : A—OBJECTIVE)

(Marks : 40)

The figures in the margin indicate full marks for the questions

Answer all questions

SECTION—I

(Marks : 10)

- 1.** Choose the correct answer and place its code in the brackets provided : 1×4=4

(a) Assets are held for the purpose of

- (i)** earning revenue
- (ii)** conversion into cash
- (iii)** resale
- (iv)** None of the above

[]

(b) Which is the correct formula?

(i) $\text{Assets} = \text{Liabilities} + \text{Capital}$

(ii) $\text{Capital} = \text{Assets} + \text{Liabilities}$

(iii) $\text{Liabilities} = \text{Assets} + \text{Capital}$

(iv) None of the above []

(c) Heavy advertising to launch a product is a

(i) deferred revenue expenditure

(ii) capital expenditure

(iii) revenue expenditure

(iv) short-term expenditure []

(d) According to diminishing balance method depreciation is a charge on

(i) original cost of assets

(ii) average cost

(iii) written down value

(iv) None of the above []

(3)

2. Fill in the blanks :

1×3=3

(a) Capital Account is related to

..... A/c.

(b) A person to whom money is payable is called

a

(c) Any amount or goods withdrawn by the owner of a business for personal use is called

.....

3. Indicate *True (T)* or *False (F)* by a Tick (✓) mark :

1×3=3

(a) Depreciation is provided on current assets.

(T / F)

(b) Closing Stock should be valued at cost price or market price whichever is lesser.

(T / F)

(c) Increase in assets is debited and decrease in assets is credited.

(T / F)

(4)

SECTION—II

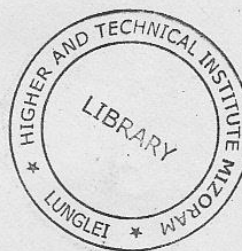
(Marks : 30)

4. Write on the following in not more than 5 sentences
each : 3×10=30
- (a) Deferred Revenue Expenditure



(5)

(b) Rule in Garner vs. Murray



(6)

(c) Going-Concern Concept



(7)

(d) Matching Concept

(8)

(e) Foreign Branch

(9)

(f) Single Entry System of Accounting

(10)

(g) Reserve and Provision

(11)

(h) GAAP

(12)

(i) Causes of Depreciation

(j) Relationship between Journal and Ledger



2 0 0 9

COMMERCE

Paper : BC-1.1

(Financial Accounting)

(Under Revised Syllabus)

(PART : A—OBJECTIVE)

(Marks : 40)

The figures in the margin indicate full marks for the questions

Answer all questions

SECTION—I

(Marks : 10)

- 1.** Choose the correct answer and place its code in the brackets provided : 1×4=4

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SECTION—II

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each : 3×10=30
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