

**I/BCO (i)**

**2010**

**COMMERCE**

Paper : BC-1.1

**( Financial Accounting )**

*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. The following facts have been ascertained from the records of Mr. X who maintains his books of accounts under single-entry system :

*Receipts for the year ended 31st March, 2002*

	Rs
From Sundry Debtors	88,125
Cash Sales	20,625
Paid in by the proprietor as Additional Capital	12,500

( 2 )

*Payments made during the year  
ended 31st March, 2002*

	Rs
New Plant Purchased	3,125
Drawings	7,500
Wages	33,625
Salaries	5,625
Interest Paid	375
Telephone	625
Rent	6,000
Light and Power	2,375
Sundry Expenses	10,625
Sundry Creditors	38,125

It may be noted that he banks all receipts and makes all payments only by means of cheques :

<i>Assets and Liabilities</i>	<i>As at 31.3.2001 Rs</i>	<i>As at 31.3.2002 Rs</i>
Sundry Creditors	12,625	12,000
Sundry Debtors	18,750	30,625
Bank	3,125	?
Stock	31,250	15,625
Plant	37,500	36,575

From the above data, prepare the Trading and Profit & Loss A/c for the year ended 31st March, 2002 and the Balance Sheet as on that date.

20

2. Prepare the Trading and Profit & Loss A/c and the Balance Sheet of Pu Thanga as at 31st December, 1992 from the following Trial Balance and additional information : 20

	Dr. Rs	Cr. Rs
Bills Receivable	13,200	
Sales		2,60,000
Sales Returns	2,000	
Purchase Returns		1,200
Discounts	300	250
Carriage Outwards	500	
Salaries	10,000	
Insurance	1,200	
Rent	3,000	
Sundry Debtors	45,000	
Sundry Creditors		30,000
Income Tax	900	
Cash and Bank	5,000	
Furniture and Fittings	5,000	
Bad Debts	2,000	
Plant and Machinery	80,000	
Freight and Duty	1,500	
Wages	15,000	
Provision for Bad Debts		1,750
Capital		71,400
Drawings	5,000	
Opening Stock	50,000	
Purchases	1,25,000	
	<u>3,64,600</u>	<u>3,64,600</u>

*Additional information :*

- (i) Stock on 31st December, 1992 was valued at Rs 60,000
- (ii) The provision for Bad Debts is to be maintained at 5% on Sundry Debtors
- (iii) Outstanding Liabilities were as under :
  - (1) Salaries—Rs 2,000
  - (2) Wages—Rs 3,000
- (iv) Rent and Insurance paid during the year were for 15 and 18 months respectively
- (v) Depreciate :
  - (1) Furniture and Fittings by 5%
  - (2) Plant and Machinery by 10%

3. A, B and C are partners sharing profits and losses in the ratio of 3 : 2 : 1. Their Balance Sheet as on 31st December, 1978 stood as follows :

<i>Liabilities</i>	<i>Rs</i>	<i>Assets</i>	<i>Rs</i>
Capitals :		Building	90,000
A	80,000	Plant & Machinery	86,000
B	60,000	Stock	50,000
C	50,000	Debtors	31,000
General Reserve	24,000	Bank	5,000
Sundry Creditors	48,000		
	<u>2,62,000</u>		<u>2,62,000</u>

B retires on that date subject to the following conditions :

- (i) The goodwill of the firm is valued at Rs 36,000
- (ii) Plant and Machinery is to be depreciated by 10%
- (iii) Stock is to be appreciated by 20% and Building by 10%
- (iv) An amount of Rs 2,000 included in Sundry Creditors is not likely to be realised
- (v) A reserve of Rs 2,000 on debtors is to be created
- (vi) Amount due to B is to be transferred to his loan account

Prepare necessary Ledger A/cs and the Balance Sheet of the firm after B's retirement. 20

4. Prepare an Income & Expenditure A/c for the year ended 31st March, 1984 and the Balance Sheet as on that date of Modern College from the following : 20

*Receipts & Payments A/c  
for the year ended 31st March, 1984*

<i>Receipts</i>		<i>Rs</i>	<i>Payments</i>		<i>Rs</i>
To	Cash		By	Pay and Allowances	70,500
	on 1.4.1983	20,000	"	Provident Fund	
"	Tuition Fees	59,000		Contribution	5,540
"	Fines	1,000	"	Printing and	
"	Grants from State			Stationery	700
	Government	30,000	"	Books for Library	4,600



( 6 )

	Rs		Rs
To Interest on Securities	300	By Postage and Telegram	500
" Rent from use of Hall	1,000	" Newspapers, etc.	300
		" Science Equipment (Capital Expenditure)	480
		" Laboratory Expenses	500
		" Construction of New Building	4,700
		" Repairs and Maintenance	600
		" Audit Fees	300
		" General Charges	580
		" Cash on 31.3.1984	22,000
	<u>1,11,300</u>		<u>1,11,300</u>

The college had the following assets on 31st March, 1983 :

	Rs
Furniture	35,000
Land and Buildings	1,60,000
Library Books	24,000
Investments	10,000
Outstanding Tuition Fees	2,200

Provide for depreciation on the closing balance of the following assets :

- Land and Building @ 5%
- Furniture @ 15%
- Library Books @ 20%

( 7 )

5. Why is accounting called as an information system? Who are interested in the accounting system and why?  $6+14=20$
6. What do you understand by single-entry system? What are its advantages? How does it differ from double-entry system?  $5+7+8=20$

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2010

**COMMERCE**

Paper : BC-1.1

**( Financial Accounting )**

( 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) In the event of dissolution of a partnership firm, provision for doubtful debt is transferred to

(i) Realisation A/c

(ii) Profit & Loss A/c

(iii) Profit & Loss Adjustment A/c

(iv) Sundry Debtors A/c

[      ]



(b) If the rate of gross profit is 25% on cost of goods sold and the sales is Rs 1,00,000, the amount of profit will be

(i) Rs 20,000

(ii) Rs 33,333

(iii) Rs 25,000

(iv) Rs 15,000

[ ]

(c) Stock and debtors system is generally used when the goods are sent to the branch at

(i) an invoice price

(ii) cost price

(iii) profit price

(iv) None of the above

[ ]

(d) Heavy advertising to launch a product is a

(i) deferred revenue expenditure

(ii) capital expenditure

(iii) revenue expenditure

(iv) short-term expenditure

[ ]

( 3 )

2. Fill in the blanks : 1×3=3

(a) When new profit sharing ratio is deducted from  
old profit sharing ratio, ..... ratio  
is obtained.

(b) Bad Debts A/c is a ..... A/c.

(c) Income & Expenditure A/c is a  
..... A/c.

3. Indicate *True (T)* or *False (F)* by a Tick (✓) mark : 1×3=3

(a) Trial Balance can be prepared in case of the  
books maintained according to single-entry  
system.

( T / F )

(b) A, B and C share profits in the ratio of 3 : 2 : 1.  
C retires from the firm. The gaining ratio of  
A and B will be 3 : 2.

( T / F )

(c) Accounting for depreciation of assets is stated in  
Accounting Standard-9.

( T / F )

( 4 )

SECTION—II

( Marks : 30 )

1. Write on the following in not more than 5 sentences each : 3×6=18

(a) Dual Aspect Concept

( 5 )

(b) Definition of Accounting

( 6 )

(c) Basic Accounting Equation



( 7 )

(d) Non-trading Concern

( 8 )

(e) Foreign Branch

(f) Depreciation

( 10 )

2. Distinguish between the following in not more than  
5 sentences each :  $3 \times 4 = 12$

(a) Revenue and Capital Nature of Expenses

( 11 )

(b) Debtors System and Stock and Debtors System  
of Branch Accounts



( 12 )

(c) Trading and Non-trading Concerns

( 13 )

(d) Straight Line Method and Reducing Balance  
Method of Charging Depreciation

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