

Total No. of Printed Pages—8

1 SEM TDC FACC (CBCS) C 101

2 0 2 3

(November)

COMMERCE

(Core)

Paper : C-101

(Financial Accounting)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. (a) Select the correct answer : 1×4=4
- (i) Drawings A/c is a
- (1) Nominal A/c
 - (2) Real A/c
 - (3) Personal A/c
- (ii) Accounting does not record non-financial events because of
- (1) Accrual Concept
 - (2) Realization Concept
 - (3) Money Measurement Concept

(2)

(iii) Which of the following accounts may have both debit or credit balance?

- (1) Discount Received A/c
- (2) Loan A/c
- (3) Trade Expenses A/c

(iv) Assets are held for the purpose of

- (1) earning revenue
- (2) resale
- (3) conversion into cash

(b) Fill in the blanks : 1×4=4

- (i) GST charged on inter-State transaction of goods and services is called _____.
- (ii) Amount spent on erection of machinery will be debited to _____.
- (iii) In hire-purchase system, cash price plus interest payable is called _____.
- (iv) When a firm is dissolved, Reserve Fund is transferred to _____ A/c.

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(3)

2. Write short notes on any *four* of the following : 4×4=16

- (a) IASB
- (b) Hire-purchase Trading A/c
- (c) Inter-branch Transactions
- (d) Insolvency of Partners
- (e) Balance Sheet

3. (a) Briefly discuss the Accounting Conventions. 4

Or

(b) Distinguish between Capital Expenditure and Revenue Expenditure. Explain the term GST.

4. (a) Prepare a Two-column Cashbook from the following transactions : 5

2020		₹
February	1 Cash in Hand	5,000
"	3 Received from Binit Discount ₹ 2,000	40,000
"	5 Paid to Bajrang	10,000
"	7 Paid to Nitesh Discount ₹ 500	14,500
"	10 Purchased goods from Ashish	15,000
"	15 Cash Sales	22,000

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(Turn Over)

(4)

2020		₹	
February	17	Paid to Dulal	11,000
"	18	Received from Raj	21,000
		Discount ₹ 1,000	
"	22	Paid for Stationery	250
"	25	Paid Rent	5,500
"	26	Received Commission	2,700
"	28	Paid to Ashish	12,500
		Discount ₹ 50	
"	29	Received interest in cash	785
"	29	Purchased goods for cash	35,000

Or

(b) What is Depreciation? What are the needs for providing for depreciation?

2+3=5

5. (a) What do you mean by Financial Statements? Point out the uses and limitations of Financial Statements.

2+8=10

Or

(b) (i) Distinguish between Trial Balance and Balance Sheet.

5

(ii) Mention whether the following transactions will be treated as Capital Expenditure or Revenue Expenditure :

5

(1) Repairs and Renewal on Plant and Machinery

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(Continued)

(5)

- (2) Railway freight
- (3) Repairs to furniture purchased second hand
- (4) Fitting expense of a rice mill
- (5) Expansion cost of a building

6. (a) Write a note on features of Computerized Accounting. What is Deferred Revenue Expenditure? 6+3=9

Or

(b) From the following balances of Ganesh & Co., prepare Trading and Profit & Loss A/c for the year ending on 30th June, 2019, and also a Balance Sheet at that date : 5+4=9

	₹		₹
Inventory on 01.01.2019	2,00,000	Salaries	30,000
Purchases	2,55,000	Rent, Rates and Taxes	12,000
Wages	1,00,000	Depreciation	3,020
Carriage	5,000	Repairs	6,000
Purchase Returns	13,250	Discount Allowed	12,505
Export Duty	9,000	Bad Debts	9,000
Sales	5,75,000	Advertisements	2,500
Coal and Coke	25,000	Gas and Water	1,500
Sales Returns	10,000	Factory Lighting	2,500
Printing and Stationery	2,250	General Expenses	4,000
Inventory on 31.12.2019	3,00,000		

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(Turn Over)

(6)

7. (a) Mention five characteristics of Hire-purchase System. How is Hire-purchase System different from Instalment Purchase System? 6+3=9

Or

- (b) Nagaon Motors purchased three motorcycles costing ₹ 40,000 each from Chennai Auto Ltd. Payment was to be made ₹ 30,000 immediately after signing of agreement and the balance in three equal annual instalments together with interest @ 5% p.a. Nagaon Motors charges depreciation @ 20% under diminishing balance method. It paid the first annual instalment in time, but failed to pay the next.

All the machines were taken back by Chennai Auto at the end of second year. The vendor spent ₹ 5,800 on overhauling expenses and sold the motorcycles at ₹ 70,000.

Show necessary accounts in the books of purchaser.

9

8. (a) Briefly explain the objectives of Branch Accounting. Show the Journal Entries required under Debtors System to ascertain profit or loss at branch. 4+6=10

(7)

Or

- (b) A Guwahati Head Office has a branch at Shillong to which goods are invoiced at cost plus 25%. All cash received by branch is remitted to Head Office. All expenses at branch are paid from Guwahati. From the following particulars, show how Branch A/c will appear in Head Office books : 10

	₹	
Stock on 01.04.2018	12,500	
Debtors on 01.04.2018	12,000	
Goods sent during the year	40,000	
Cheques received from Guwahati :		
Wages and Salaries	11,000	
Rent, Rates, etc.	3,000	
Sundry Expenses	500	14,500
Cash Sales		16,000
Collection from Debtors		29,500
Goods returned by Branch		2,400
Stock on 31.03.2019		15,000
Debtors on 31.03.2019		22,500

9. (a) What is meant by the terms Fixed and Fluctuating Capitals? Elaborate the rule of Garner versus Murray in insolvency of a partner. 4+5=9

Or

- (b) R and S are partners in a firm sharing profits and losses in the ratio 3 : 2 respectively. They decided to close the

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(Continued)

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firm on 31st March, 2021. Their Balance Sheet as at this date stood as under :

<i>Liabilities</i>	₹	<i>Assets</i>	₹
Sundry Creditors	38,000	Cash at Bank	11,500
Mrs. R's Loan	10,000	Inventory	46,000
S's Loan	15,000	Debtors	20,000
Reserve	5,000	Less : Provision	1,000
Capital A/cs :		Fixtures & Fittings	14,000
R	70,000	Machinery & Plant	78,000
S	48,000	Investments	10,000
		Stock	7,500
			<u>1,86,000</u>
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Following adjustments were to be made :

- (i) R took over investments at an agreed value of ₹ 8,000 and agreed to pay off the loan of Mrs. R
- (ii) The assets realized as follows :

	₹
Inventory	45,000
Debtors	18,500
Fixtures & Fittings	14,500
Machinery & Plant	75,000

- (iii) The creditors were paid off less 3%. Expenses of realization amounted to ₹ 1,100.

Prepare necessary accounts to close the books of the firm.

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