



‘समानो मन्त्रः समितिः समानी’

**UNIVERSITY OF NORTH BENGAL**  
BBA Honours 2nd Semester Examination, 2023

**CC4-BBA (204)**

**FINANCIAL ACCOUNTING FOR MANAGER**

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.  
Candidates should answer in their own words and adhere to the word limit as practicable.  
All symbols are of usual significance.*

**GROUP-A**

**Answer any two questions from the following**

12×2 = 24

1. The following Trial Balance was extracted from the books of Mr. Sarkar as on 31st March 2023:

Particulars	Debit (₹)	Particulars	Credit (₹)
Plant & Machinery	78,000	Capital Account	1,00,000
Furniture	2,000	Sales	1,27,000
Purchases	60,000	Returns of Goods	750
Returns of Goods	1,000	Discount	800
Discount	425	Sundry Creditors	25,000
Sundry Debtors	45,000	Provision for Doubtful Debts	525
Opening Stock	30,000		
Salaries	7,550		
Wages	10,000		
Carriage on Sales	1,200		
Rent & Taxes	10,000		
Advertisement	2,000		
Cash	6,900		
	<b>2,54,075</b>		<b>2,54,075</b>

Prepare Trading and Profit and Loss Account for the year ended 31st March 2023 and Balance Sheet as on that date after taking the following adjustments:

- Closing Stock was valued at ₹34,220.
- Provision for Doubtful Debts is to be kept at ₹500
- Allow interest on capital @ 10% p.a.
- Depreciate plant and machinery by 10% p.a.
- The proprietor has taken goods worth ₹5,000 for personal use and distributed goods worth ₹1,000 as free samples.

2. A, B and C are in partnership sharing profits and losses in the ratio 3:2:1. They decided to dissolve the business on 31.12.2022, on which date their Balance Sheet was as follows:

**Balance Sheet**  
**As on 31st December 2022**

Liabilities	₹	Assets	₹
Capital Accounts:		Land and Buildings	30,810
A	38,700	Motor Car	5,160
B	10,680	Investments	1,080
C	11,100	Stock	19,530
C's Loan Account	3,000	Debtors	11,280
Creditors	10,320	Cash	5,940
	<b>73,800</b>		<b>73,800</b>

The assets were realised piece-meal as follows and it was agreed that cash should be distributed as and when realized.

- 15.1.2023- ₹10,380;  
 20.2.2023- ₹27,900;  
 23.3.2023- ₹3,600;  
 15.4.2023- C took over investments at a value of ₹1,260;  
 27.4.2023- ₹19,200.

Dissolution expenses were originally provided for an estimated amount of ₹2,700 but the actual amount spent on 29.3.2023 was ₹1,920. The creditors were settled for ₹10,080. Prepare a statement showing cash distribution amongst the partners.

3. (a) Sam Ltd. maintains a Branch at Siliguri to which it sends goods at Cost plus 25%. Siliguri Branch sells goods both in cash and on credit. All collections and Cash Sales are directly deposited to Head Office Bank Account and all expenses are paid by the Head Office directly. From the following information, prepare Siliguri Branch Account in the books of the Head Office:

6+6

	₹
<b>Balance on 1.4.2022:</b>	
Branch Stock at Invoice Price	30,000
Branch Debtors	40,000
<b>Transactions during the year:</b>	
Goods sent to branch at cost	1,40,000
Goods returned by the branch at invoice price	10,000
Goods returned by debtors to branch	3,000
Credit Sales	1,20,000
Cash Sales	30,000
Bad Debts	2,000
Discount Allowed	3,000
Abnormal loss of goods at invoice price	8,000

**Cheques sent by Head office to branch for:**

Rent	4,000
Salaries	6,000
Petty Expenses	2,000

**Balances on 31.3.2023:**

Debtors	45,000
Stock at Invoice Price	40,000
Outstanding Rent	1,000

- (b) A company purchased machinery for ₹20,000 on 1st January 2018 and followed the diminishing balance method of depreciation the value @ 15% p.a. At the end of 2019, it was decided to follow the fixed instalment system of depreciating the machine at ₹3,000 per year from the very beginning and the necessary amount of unabsorbed depreciation from 2018 to 2020 to be adjusted in 2021. Show the Machinery account for the period 2018 to 2021.

4. (a) Discuss the special features of the Hire Purchases Agreement. 4+8

- (b) Aamir Transport Agency purchased 2 Motor Vans at a price of Rs. 8,00,000 each from Salman Auto Company on 1st January 2020 on the hire purchase system. the terms of payment were as follows:

Payment of Rs. 2,00,000 each for Motor Van on delivery was made and the remainder in three equal instalments together with interest @ 12% p.a. to be paid at the end of each year.

Aamir Transport Agency writes off 20% depreciation each year based on the diminishing balance method. Aamir Transport Agency paid two instalments due on 31st December, 2020 and 2021 but could not pay the final instalment.

Salman Auto Company repossessed one Motor Van adjusting its value against the amount due. The repossession was done based on 25% depreciation on the Fixed Instalment method. Write up the Ledger accounts in the books of Aamir Transport Agency.

**GROUP-B**

5. Answer any **four** questions: 6×4 = 24
- (a) Distinguish between Financial Lease and Operating Lease. 6
- (b) Briefly discuss the uses and limitations of Balance Sheet. 6
- (c) Discuss the reasons that lead to the dissolution of a firm. State the grounds under which a partnership firm can be dissolved by the Court. 3+3
- (d) From the following information prepare Branch Account in the books of the head office assuming that all the sales at the branch are on the cash basis: 6

Opening stock at the branch	₹30,000
Sales during the year	₹1,20,000
Goods sent to Branch	₹90,000
Expenses paid by Head Office	₹14,000

Closing Stock could not be ascertained, but it is known that the branch usually sells cost plus 20%. The Branch Manager is entitled to a commission of 10% before charging such a commission.

- (e) Narrate the accounting practice developed to comply with the Convention Conservatism and Going Concern Concept. 3+3
- (f) Distinguish between the hire purchase system and the instalment payment system. 6

**GROUP-C**

6. Answer any *four* questions: 3×4 = 12
- (a) What are the Debit notes and Credit notes? 3
- (b) What do you mean by Branch Adjustment Accounting? 3
- (c) What do you mean by deferred revenue expenditure? 3
- (d) State the rules of Garner vs. Murray. 3
- (e) What do you mean by errors of omission and errors of commission? 3
- (f) What is Contingent liability? Give two examples. 3

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