



'সমানো মন্ত্র: সমিতি: সমানী'

UNIVERSITY OF NORTH BENGAL
B.Com. Honours 1st Semester Examination, 2021

CC1-COMMERCE

FINANCIAL ACCOUNTING

Time Allotted: 2 Hours

Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

Answer any two the questions

12×2 = 24

1. Roshan of Bengaluru sent 100 T.V. sets to Jindal of Amritsar on Consignment basis. The Cost price of each set was Rs. 5,000. Roshan paid Rs. 100 for cartage, Rs. 1,500 for railway freight and Rs. 400 for insurance premium. 12

Roshan drew a bill payable after 2 months for Rs. 50,000. After it was duly accepted by Jindal by way of advance remittance against the consignment, Roshan discounted the bill for Rs. 49,900.

Jindal paid Rs. 600 for landing charges, Rs. 100 for clearing, Rs. 300 for carriage to godown, Rs. 500 for godown rent, Rs. 200 for carriage to customers, Rs. 360 for insurance of godown and Rs. 100 for advertisement. He sold 10 sets for cash @ Rs. 5,400 each and 80 sets @ Rs. 5,500 each on credit but could not realize the sale proceeds of 2 sets.

Jindal was entitled to received 4% ordinary commission and 1% del credere commission. The net amount due from Jindal was received in time.

Prepare the Consignment Account and Jindal Account in the books of Roshan showing working notes in detail.

2. On 1.1.15 Ganga purchased 3 machines from Jamuna Traders under hire purchase. The cash price of each machine was Rs. 60,000. Payments for each machine were to be made as Rs. 15,480 down and the balance by 5 annual instalments of Rs. 10,000 each payable on 31st December every year. Interests were to be reckoned at 4% per annum. 12

Ganga who provided depreciation @ 10% p.a. on the written down value, could not pay the instalment due on 31.12.2016. Jamuna Traders took possession of 2 machines and valued these at their own books after charging 15% as annual depreciation under the straight line method. On 15.1.17 it incurred Rs. 3,000 for repairing the repossessed machines and on 20.1.17 it sold out each of these machines at Rs. 50,000.

Show the Machinery Account in the books of Ganga. Also show Ganga Account and Repossessed Stock Account in the books of Jamuna Traders.

3. A, B and C decided to dissolve their partnership when the Balance Sheet of their firm stood as follows:

Liabilities		Rs.	Assets		Rs.
Capital			Machinery		2,02,500
A	1,00,000		Stock		1,12,500
B	50,000		Sundry Debtors		90,000
C	<u>25,000</u>	1,75,000	Commission Receivable		5,000
A's Loan Account	50,000				
Sundry Creditors	71,350				
Bank Overdraft	1,13,650				
		4,10,000			4,10,000

Prepare the necessary accounts taking into consideration the following:

- (i) Profit Sharing Ratio was 3:2:1
 - (ii) A agreed to take over part of the business for which he agreed to pay Rs. 37,500 for Goodwill, together with half of the machinery and of stock, for which he agreed to pay Rs. 1,12,500 and Rs. 60,000 respectively
 - (iii) The balance of the machinery was sold for Rs. 75,000 and that of the Stock for Rs. 30,000
 - (iv) Sundry Debtors realized Rs. 87,750
 - (v) A was allowed to retain the commission receivable in consideration of special service rendered during the course of dissolution.
4. A Head office in Mumbai has a branch in Delhi. Goods are invoiced to the branch at cost plus $33\frac{1}{3}\%$. The following information are given in respect of the branch for the year ended 31st march 2021: 4×3 = 12

	₹
Goods sent to branch (at cost to branch)	4,80,000
Stock at branch on 1.4.20 (Invoiced price)	24,000
Cash Sales	1,80,000
Goods returned by customers to branch	6,000
Branch Expenses (paid in cash)	53,500
Branch debtors balance on 1.4.2020	30,000
Discount allowed	1,000
Bad debts	1,500
Collection from debtors	2,70,000
Branch debtors cheques returned dishonored	5,000
Stock at branch on 31.3.21 (Invoice price)	48,000
Branch debtors on 31.3.21	36,500

Prepare, under 'Stock and Debtors' system, the following ledger accounts in the books of Head Office:

- (i) Delhi Branch Stock Account
- (ii) Delhi Branch Debtors Account
- (iii) Delhi Branch Adjustment Account.

GROUP-B

5. Answer any *four* questions: 6×4 = 24

- (a) A and B enter into a Joint Venture to take a building contract for Rs. 2,40,000. 6
They provide the following information regarding the expenditure incurred by them:

	A	B
Materials	68,000	50,000
Cement	13,000	17,000
Wages	-	27,000
Architect's fee	10,000	-
Licence fees	-	5,000
Plant	-	20,000

Plant was valued at Rs. 10,000 at the end of the contract and B agreed to take it at that value. Contract amount of Rs. 2,40,000 was received by A.

Show Joint Venture Account and B Account in the books of A.

- (b) Briefly write the distinction between Proforma Invoice and Account Sales. 6

- (c) From the following information calculate absolute Surplus Capital: 6

(i) Partner's Capital Accounts Balances as per last Balance Sheet:

A Rs. 40,000; B Rs. 25,000; C Rs. 10,000

(ii) General Reserve as per last Balance Sheet: Rs. 12,000

(iii) Profit Sharing Ratio 3:2:1.

- (d) From the following particulars, calculate the value of Closing Stock assuming that the Sales at Branch are on Cash basis. (All figures are in Rs.) 6

	Rs.
Opening Stock at branch	30,000
Goods sent to Branch	90,000
Cash Sales	1,20,000
Expenses met by head office:	
Salaries	10,000
Other Expenses	4,000

Closing Stock could not be ascertained, but it is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the profit of the branch before charging such commission.

- (e) Explain the different methods of charging depreciation. 6

- (f) Write short notes on: 3+3

(i) Conservation Principle

(ii) Matching Principle.

GROUP-C

6. Answer any *four* questions: 3×4 = 12
- (a) Briefly state who are the users of accounting information? 3
 - (b) What are the non-recurring expenses in consignment? Give examples. 3
 - (c) Define Hire Purchase System. 3
 - (d) What do you mean by Capital Expenditure? 3
 - (e) State three objectives of drawing up a Trial Balance. 3
 - (f) What are contingent liabilities? Give examples. 3

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