



'समानो मन्त्रः समितिः समानी'

**UNIVERSITY OF NORTH BENGAL**

B.Voc. Programme 5th Semester Examination, 2021

**GE1-RETAIL MANAGEMENT (5.3A)**

**FINANCIAL ACCOUNTING**

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.*

**GROUP-A**

1. Answer any **four** questions from the following: 3×4 = 12
- (a) What are the main objectives of Accounting?
  - (b) Explain the importance of entity concept and going concern concept.
  - (c) Explain Golden Rules of Accounting with the help of appropriate examples.
  - (d) What are the causes behind depreciation of assets?
  - (e) What is the difference between 'Sacrificing Ratio' and 'Gaining Ratio'?
  - (f) What do you understand by the term 'Del Credere Commission'?

**GROUP-B**

2. Answer any **four** questions from the following: 6×4 = 24
- (a) Explain the difference 'Consignment' and 'Joint Venture'.
  - (b) State the differences between a Profit and Loss a/c and a Balance Sheet.
  - (c) Define Cash Flow Statement. Distinguish between Operating and Financial Activities.
  - (d) Calculate the Current Ratio and Quick Ratio from the following information:

Current Liabilities	Amount (Rs.)	Current Assets	Amount (Rs.)
Creditors	30,000	Cash and Bank	5,000
Bills Payable	16,000	Debtors	29,000
Outstanding Expenses	8,000	Bills Receivable	5,000
		Marketable Securities	15,000
		Stock	52,000
		Prepaid Expenses	2,000

- (e) Write a short note on Generally Accounting Accepted Principles (GAAP).

- (f) What is Hire Purchase System? Explain the difference between complete repossession and partial repossession.

**GROUP-C**

3. Answer any *two* questions from the following: 12×2 = 24

- (a) On 1<sup>st</sup> January 2021, Lila and Co. of Calcutta consigned 100 Cases of Milk Powder to Sila and Co. of Bombay. The Goods were charged at a Performa Invoice Price of Rs. 10,000 including a Profit of 25% on Invoice Price. On the same date, the Consignor paid Rs. 600 for Freight. On 1<sup>st</sup> July, the Consignee paid of Rs. 1,000 for Import Duty, Rs. 200 as Dock Dues and sent to the Consignor a Bank draft for Rs. 4,000 as Advance.

On August sold 80 Cases for Rs. 10,500 and sent a remittance for the balance due to the Consignor after deducting Commission @ 5% on the Sales.

Prepare Necessary Consignment Ledge Accounts.

- (b) Plant was purchased for Rs. 40,000 on 1<sup>st</sup> January 2019. On 1<sup>st</sup> April 2020, another Plant was purchased for Rs. 30,000. On 30<sup>th</sup> June 2021, a third Plant was purchased for Rs. 20,000 by disposing of the first plant for Rs. 21,000.

Show the Plant Account for 3 years up to 31<sup>st</sup> December 2021 assuming the Depreciation @ 10% p.a. under the Diminishing Balance Method. Given, the books are closed on 31<sup>st</sup> December every year.

- (c) Usha and Asha are partners sharing profit in the ratio 3:2. Their Balance Sheet as at 31<sup>st</sup> March 2021 was as follows:

**Balance Sheet as at 31<sup>st</sup> March 2021**

Liabilities	Amount	Assets	Amount
Creditors	27,000	Cash	24,000
General Reserve	18,000	Debtors: <span style="float: right;">48,000</span>	43,200
Bills Payable	5,000	<b>Less:</b> Prov. Doubtful Debt: (4800)	
<b>Capital A/c:</b>		Stock	30,000
Usha	40,000	Patent	7,400
Asha	35,000	Building	20,400
	<b>1,25,000</b>		<b>1,25,000</b>

Neelam is admitted into the Partnership giving her one-fifth share in the Profits. Neelam is to bring in Rs. 30,000 as her share of Goodwill in cash subject to the following terms:

- (i) Goodwill of the firm to be valued at Rs. 50,000.
- (ii) Stock to be reduced by 10% and Provision for Doubtful Debts to be reduced by Rs. 2,400.
- (iii) Patents are valueless.

(iv) There was Claim against the firm for damages amounted to Rs. 2,000. The Claim has now been accepted.

Prepare Revaluation Account, Partners Capital Account and Balance Sheet.

(d) From the Following Trial Balance of Mr. Arvind Mills, Prepare Trading a/c, Profit and Loss a/c and Balance Sheet as on 31<sup>st</sup> December 2021.

**Trial Balance**

Particulars	Debit(Rs.)	Credit(Rs.)
Land	1,00,000	
Building	2,00,000	
Sales Return	10,000	
Purchase Return		5,000
Bank Overdraft		15,000
Creditor		20,000
Wages	12,000	
General Expenses	5,000	
Bad Debts	1,000	
Capital		2,81,000
Sales		3,00,000
Purchases	1,75,000	
Opening Stock	25,000	
Debtor	50,000	
Cash in Hand	5,000	
Goodwill	10,000	
Salaries	15,000	
Selling Expenses	12,000	
Insurance	1,000	
	<b>6,21,000</b>	<b>6,21,000</b>

**Adjustments:**

1. Closing Stock is Rs. 30,000.
2. Depreciation on Building @ 10% p.a.
3. Write off further Bad Debt of Rs. 1,000.
4. Salaries Outstanding is Rs. 3,000.

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