



'সমানো মন্ত্র: সমিতি: সমানী'

UNIVERSITY OF NORTH BENGAL
B.Com. Honours 1st Semester Examination, 2022

CC1-COMMERCE

FINANCIAL ACCOUNTING

REVISED NEW SYLLABUS

Time Allotted: 2 Hours

Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

Answer any two questions

12×2 = 24

1. On 1st September, 2021 goods of the value of ₹2,64,000 were consigned by Mr. Das of Kolkata to his agent Mr. Roy at Siliguri at a proforma invoice price of 20% profit on cost price. Mr. Das paid insurance and other forwarding charges on consignment amounting to ₹10,000. Mr. Roy was allowed ₹2,000 being establishment cost. He was entitled to 5% commission on gross sales and an additional 3% del-credere commission on credit sales only. Mr. Roy made an expense of ₹2,040 as landing charges. Three-fourth of the goods were sold at $33\frac{1}{3}\%$ profit on cost, half of which were credit sales. One half of the balance of goods were destroyed by fire and a claim lodged for ₹28,000 was settled at a discount of 10%. The balance of goods were in stock. 9+3
- Show the consignment account and stock lost on consignment account as on 31.12.2021 in the books of Mr. Das. (Working notes should be shown in detail).
2. (a) Define GAAP. Explain any two limitations of GAAP. 6+6
- (b) Distinguish between "Concept of Consistency" and "Concept of Conservatism" in Accounting.
3. Sun Ltd. of Kolkata invoices goods to their Siliguri Branch at selling price which is cost plus $33\frac{1}{3}\%$. From the following particulars, prepare Branch Stock Account, Branch Debtors Account, Branch Adjustment Account and Branch Profit & Loss Account in the books of Sun Ltd.: 3+3+3+3
- | | |
|--|---------|
| Stock on 01.01.2021 (invoice price) | ₹15,000 |
| Debtors on 01.01.2021 | ₹11,400 |
| Goods sent to Branch at Cost to Branch | ₹67,000 |
| Sales at Branch: | |
| Cash | ₹31,000 |

Credit	₹37,400
Cash received from Debtors	₹40,000
Bad debts written off	₹250
Discount allowed to customers	₹300
Expenses at the Branch	₹6,700
Stock on 31.12.2021 (invoice price)	₹13,400

4. X, Y and Z are partners sharing profit and losses in the ratio of 3:2:3. The firm was dissolved on 31.03.2022, on which date the Balance Sheet of the firm was as follows: 4+4+4

Liabilities	₹	Assets	₹
Creditors	2,00,000	Cash	25,000
Reserve Fund	2,40,000	Debtors	3,00,000
Capital:		Stock	2,31,000
X	2,60,000	Land & Building	1,50,000
Y	1,55,000	Profit & Loss A/C (Dr.)	1,00,000
		Y's Capital	49,000
	<u>8,55,000</u>		<u>8,55,000</u>

The assets realised ₹2,61,000. The creditors were paid ₹1,90,000 in full settlement of their claim. Expenses of dissolution were ₹2,000. Y became insolvent and 50% was received from his estate.

Prepare necessary ledger accounts to close the books of the firm applying the decision of "Garner Vs Murray" case.

GROUP-B

5. Answer any **four** questions: 6×4 = 24
- (a) (i) State the objectives of Accounting Standards. 3+3
- (ii) Write a short note on AS-6
- (b) From the following particulars 2+2+2

Calculate:

- (i) Agreed value of two plants taken back by the hire vendor
- (ii) Book value of plant left with the hire purchaser
- (iii) Profit or loss to hire purchaser on two plants taken by the hire vendor.

Particulars:

- (i) A Ltd. purchased three plants from Y Ltd. on hire purchase basis, the cash price of each plant being ₹1,00,000.
- (ii) The hire purchaser charged depreciation @ 20% on diminishing balance method.
- (iii) Two plants were seized by Y Ltd. when second installment was not paid at the end of second year. The hire vendor valued the two plants at cash price less 30% depreciation p.a. on diminishing balance method.

- (c) X and Y enter into a Joint Venture to a building contract for ₹2,50,000. They provide the following information regarding the expenditure incurred by them: 6

	X(₹)	Y(₹)
Materials	68,000	50,000
Cement	13,000	17,000
Wages	-	27,000
Architect's fees	10,000	-
License fee	-	5,000
Plant	-	20,000

Plant was valued at ₹10,000 at the end of the contract and Y agreed to take it at that value. Contract amount of ₹2,50,000 was received by X.

Prepare Joint Venture Account in the books of Y.

- (d) Briefly explain the “Business Entity Concept” and “Dual Aspect Concept” of Accounting. 3+3
- (e) Distinguish between: 3+3
- (i) Trial Balance and Balance Sheet.
- (ii) “Receipts and Payment Account” and “Income & Expenditure Account”.
- (f) (i) Distinguish between “Reserve” and “Provision”. 3+3
- (ii) A company purchased three identical machines on 01.01.2019 at a cost of ₹11,000 each. Each having zero scrap value and life of 5 years. At the end of the second year the company sold one machine for ₹6,000 and purchased another for ₹14,000 in the beginning of 3rd year.

Show Journal entries in the books of the company for the first three years.

GROUP-C

6. Answer any **four** questions: 3×4 = 12
- (a) Distinguish between consignment and joint venture. 3
- (b) What is Del-credere Commission? Why is it paid? 1+2
- (c) Briefly explain the “Periodic Matching of Cost and Revenue” concept. 3
- (d) Explain at least three grounds of dissolution of a partnership firm. 3
- (e)
- | | | |
|----------------|---------|---|
| Opening stock- | ₹20,000 | 3 |
| Purchase- | ₹50,000 | |
| Sales- | ₹50,000 | |

Goods have been sold to customers at a profit of 25% of cost. Prepare a Trading Account.

- (f) Sargam Music System Ltd. invoices goods to its Kolkata branch at cost plus 20%. During the year 2021-22 it invoiced goods amounting ₹15,000 to their branch which were damaged in transit and insurance company admitted a claim of ₹10,000. Show the treatment of loss-in-transit in the books of Head Office.

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