



‘समानो मन्त्रः समितिः समानी’

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

**CC1-COMMERCE**  
**FINANCIAL ACCOUNTING**  
**OLD SYLLABUS**

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.***GROUP-A****Answer any two questions from the following**

12×2 = 24

1. Explain the concept and benefits for issuing Accounting Standards in India. Explain the need of Accounting as an Information System. 8+4
2. A, B and C were partners sharing profits and losses as 2:2:1. They dissolved their firm when their Balance Sheet stood as follows: 12

Liabilities	₹	Assets	₹
Capitals		Cash at Bank	5,000
A- 41,000		Sundry Assets	97,000
B- <u>26,000</u>	67,000	C's Capital	8,000
General Reserve	15,000	Profit and Loss A/c (Dr.)	5,000
Creditors	33,000		
	<b>1,15,000</b>		<b>1,15,000</b>

Sundry assets realized ₹90,000 and the creditors were discharged at a discount of ₹2,000. The expenses of dissolution amounted to ₹3,000. C was declared insolvent and a final dividend of 60% was realized from his private estate. Show the necessary accounts applying the Garner V/s Murray rule.

3. Head Office invoiced to their Northern Branch during the year goods at selling price (being  $33\frac{1}{3}\%$  added to cost) amounting to ₹80,000. The Credit Sales of the branch were ₹32,000 and Cash sales were ₹18,000. The Branch returned ₹2,000 stock at selling price and had returned from customers ₹1,000. The discount allowed to customers by the Branch amounted to ₹1,100. The Branch remitted to Head Office ₹39,000, being the amount of Cash sales and receipts from customers. The opening and closing stocks of the Branch were ₹15,000 (cost ₹11,250) and ₹39,000 (cost ₹29,250). The Branch had Debtors of ₹12,000 at the beginning and ₹19,200 at the end. Loss through pilferage was ascertained to be ₹1,000 (cost ₹750). Prepare the Branch Account in the books of Head Office. 12
4. Write short notes on: 3×4=12
  - (i) Consistency Principle
  - (ii) Money Measurement Concept

- (iii) Principle of Full Disclosure  
(iv) Realisation Concept.

**GROUP-B**

5. Answer any **four** questions: 6×4 = 24
- (a) Distinguish between: 3+3
- (i) Account Sales and Sales Account  
(ii) Joint Venture and Partnership.
- (b) On 1st January 2021, D & Co. purchased a machine on hire purchase basis, the total amount payable being ₹21,350. Payment was to be made ₹6,000 on that date and the balance in three half-yearly installments of ₹5,700, ₹5,450 and ₹4,200 commencing from 30th June 2021. The vendor charged interest @ 10% p.a. calculated on half-yearly interests.  
D & Co. close their books annually on 30th June and provide depreciation @10% p.a. on reducing balance method.  
Determine the cash price of the machine. 6
- (c) M and N entered into a joint venture and agreed to share profits and losses in the ratio of 2:3. They opened a Joint Bank A/c in which M and N contributed ₹8,000 and ₹10,000 respectively. 6
- They purchased 10 Condemned television sets at ₹1,500 each. They met the reconditioning cost of ₹3,000 from the Joint Bank A/c.  
Carriage and other expenses of ₹2,000 were borne by N. N received a cheque of ₹1,000 from M. Nine sets were sold @ ₹2,500 each and the rest was taken over by N at Cost.  
Prepare Joint Venture A/c in the books of M and N.
- (d) Distinguish between Capital Expenditure and Revenue Expenditure with examples. What do you mean by Deferred Revenue Expenditure? 4+2
- (e) What do you mean by 'Errors of Principle' and 'Compensating Errors'? Give examples. 3+3
- (f) Goods sent on consignment 1000 kg @ ₹10 per kg. Expenses paid by the consignor: freight ₹500 and insurance ₹400. 200 kg were destroyed in transit due to an accident. Claim admitted by the insurance company was ₹1,500. 6  
The consignee sold 700 kg @ ₹20 per kg and incurred the following expenses:  
Unloading ₹200, godown rent ₹500 and selling expenses ₹350.  
Pass Journal entries relating to loss in transit and unsold consignment stock in the books of the consignor.

**GROUP-C**

6. Answer any **four** questions: 3×4 = 12
- (a) Mention two objectives of recognition of expenses.  
(b) What do you mean by Independent Branch?  
(c) Write two differences between Hire Purchase System and Installment System.  
(d) Is Depreciation an expense or provision?  
(e) Give three examples of contingent liability.  
(f) State the principles laid down in Garner V/s Murray.

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