



## BRAINWARE UNIVERSITY

Course – B.Com.

**Financial Accounting and Financial Report study (BCMC 101)**

(Semester – 1)

**Time allotted: 3 Hours**

**Full Marks : 70**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A (Multiple Choice Questions)

**Choose the correct answer from the given alternatives of the following:**

**10x1=10**

1. The main objective of providing depreciation is to
  - a) Keep the capital intact
  - b) Replacement of assets
  - c) Reduce tax burden
  - d) none of the above
2. Proforma invoice does not include
  - a) details of goods
  - b) minimum sale price
  - c) commission amount payable
  - d) None of them
3. From the accounting point of view, loss means
  - a) increase in liabilities
  - b) Decrease in assets
  - c) increase in owner's equity
  - d) Decrease in owner's equity
4. Current assets not include
  - a) Cash
  - b) Debtors
  - c) Outstanding Expenses
  - d) Stock
5. Assets are classified into 'fixed assets' and 'current assets'. This is in recognition of which of the following accounting concept?
  - a) Business entity concept
  - b) Going concern concept
  - c) Money measurement concept
  - d) None of the above.
6. Based on which concept the share capital of a business is shown in the liability side
  - a) Separate entity concept
  - b) Money measurement concept
  - c) Going concern concept
  - d) Matching concept
7. The unexpired insurance appears in the trial balance, it should be
  - a) Debited to trading
  - b) Shown on asset side of balance sheet
  - c) Both of the above
  - d) None of the above

8. Payment made to creditor
- Decrease the total assets
  - Increase the total assets
  - No change in total liability
  - Decrease current liabilities.
9. Accrued Insurance premium
- A personal account.
  - A real accountant.
  - A nominal account.
  - An assets.
10. The depreciation on a fixed asset is charged throughout the expected life of the machinery as per
- Cost concept.
  - Going concern concept
  - Business entity concept
  - Duality concept.

**Group – B**  
**(Short Answer Type Question)**  
**Answer any three questions**

**3 x 5 = 15**

- Who pays del-credere commission? Why is this commission paid?
- The following balances are extracted from the books of S & Co. for the year ended March 31, 2015.

Particulars	Rs.
Credit Sales	936000
Debtor's balance (as on April 1, 2004)	97200
Discount allowed	5600
Cash received from debtors	840000
Return inward	22000
Carriage outward	4200

A cheque of Rs. 3100 received from Mr. Reddy, a customer, has been returned by the bank for signature dispute.

During the year, Rs. 3900 has been declared as bad debts.

Show the Debtor account.

- State the process of valuation of unsold stock for joint venture with examples.
- Consider the following data pertaining to Dolphin Ltd. For the month of June 2015.

Particulars	Rs.
Stock as on 1 <sup>st</sup> April 2014	30000
Stock as on 31 <sup>st</sup> March 2015	40000
Purchase	560000
Purchase returns	15000
Carriage inward	5000
Sales Return	20000

If the gross profit is 20% of net sales, calculate the sales and gross profit for the month of June, 2015

- What is sacrificing ratio? Discuss with example.

**Group – C**  
**(Long Answer Type Question)**  
**Answer any three questions**

**3 x 15 = 45**

1. A and B entered into a joint venture on 1.10.2011 for sale of specific goods paying Rs. 60000 and Rs. 40000 respectively in a joint bank account. They agreed to share profit and loss in the ratio of 3:5. It was agreed that joint bank account is to be used for purchase and sale and each venturer to meet his joint venture expenses out of private funds. Each venturer is to charge a commission @ 5% on sale made by him. The transactions for the period ended 31.3.2012 were as follows-

A purchased goods costing Rs. 40000 and expenses in connection thereof amounted to Rs. 2500.

B purchased goods costing Rs. 50000 and expenses in connection thereof amounted to Rs. 6000. He sold 80% of these goods at 25% over the cost price and selling expenses amounted to Rs. 3000. 1/5 th of the remaining goods purchased by A was destroyed by fire on 28<sup>th</sup> February, 2012 and insurance company admitted a claim for Rs. 2000.

Write up the Joint venture account, Joint bank account and Venturer account.

15

2. Govind of Bombay sent 100 TV sets to Kripa of Chandigarh on consignment basis. The cost price of each set was Rs. 5000.

Govind paid Rs. 100 for cartage, Rs. 1500 for railway freight and Rs. 400 for insurance premium. Govind drew a bill payable after 2 months for Rs. 50000. After it was duly accepted by Kripa by way of advance remittance against the consignment, Govind discounted the bill for Rs. 49900.

Kripa paid Rs. 600 for landing charges, Rs. 100 for clearing, Rs. 300 for carriage for 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. 5400 each and 80 sets @ Rs. 5500 each on credit but could not realize the sale proceed of 2 sets.

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

Prepare the consignment account and Kripa Account in the books of Govind.

Also show the necessary accounts in the books of Kripa.

15

3. From the following Trial balance of Ramesh as on 31.12.2004 prepare Final Accounts as on the same date.

Particulars	Debit	Credit
Capital Account		120000
Drawings	15000	
Bills Receivables	22000	
Machinery	20000	
Debtors & Creditors	60000	58000
Wages	39000	
Purchases & Sales	252000	355000
Commission		5500
Rents & Taxes	6000	
Stock on 1.1.2004	90000	
Salaries	10500	
Travelling Expenses	2000	
Insurance	600	
Repairs	3400	
Bad Debts	3500	
Furniture	9000	
Returns	5000	2000
Cash in hand and bank	2500	
	540500	540500

**Adjustments:**

1. Stock in hand on 31.12.2004 was Rs.100000.
2. Create 5% provision on debtors for doubtful debt.
3. Prepaid insurance amounted to Rs. 100
4. Wages outstanding was Rs. 1000.
5. Depreciation on Machinery @5% and Furniture @10% p.a.

15

4. a) Q Ltd, purchased on 1st January, 2008 a machine for Rs. 10,000. On 1.7.08 it again purchased another machine for Rs. 5,000. On 1.7.09 the machine purchased on 1.1.2008 was sold for Rs.4,000. On 1.7.2010 a new machine was purchased for Rs. 12,000. On the same date the machine purchased on 1.7.2008 was sold for Rs. 4,200. Depreciation was provided at 10% p.a. on the written down value every year. Show the Machinery Account for the years from 2008 to 2011.

b) State the reason behind creating provision for Bad & Doubtful Debt account.

10+5

5. What do you mean by accounting information? Who are the users of accounting information? Discuss the significance of accounting concepts and conventions with appropriate examples.

5+5+5

5+5+5