



BRAINWARE UNIVERSITY

Term End Examination 2022

Programme – B.Com.(BFA)-Hons-2018/B.Com.(BFA)-Hons-2019/B.Com.(BF)-Hons-2021/B.Com.(BF)-Hons]-2022

Course Name – Financial Accounting
Course Code - BBFH010401/BCMC101
(Semester I)

Full Marks : 60 Time : 2:30 Hours

[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 Type Question)

1 x 15=15

- 1. Choose the correct alternative from the following:
- (i) Identify the Pioneer of Accounting
 - a) Arthur Field House
 - c) William Pickles

- b) Gitman
- d) Lucas Pacioli
- (ii) Identify the Accounting information consists of
 - a) Cost and income for managers
- b) Companys tax liability for a particular year
- c) Financial conditions of an institution
- d) All of these
- (iii) An accounting system is recognize by a business to
 - a) Analyze Transactions

- b) Handle routine book keeping tasks
- c) keep track of Liabilities and Assets
- d) All of these
- (iv) Interpretation can be explained as
 - a) Explanation of meaning and significance of the data in Financial Statements
 - c) Systematic analysis of recorded data
- b) Concerned with preparation and presentation of classified data
- d) Methodical classification of data given in Financial Statements
- (v) The main function of Accounting is to
 - a) Record economic data

- b) Provide informational basis for action
- c) Classify and record business transactions
- d) All of these
- (vi) Patents, Copyrights and Trademarks are classified as
 - a) Current assets

b) Fixed assets

c) Intangible assets

- d) All of these
- (vii) Which one states that assets equal liabilities plus capital?
 - a) accounting equation

b) financial equation

c) statements

d) none of these

(viii)	Choose Which of the following is not a Real A/c		
	a) Building c) Machine	b) Capital d) Rent	
	Which of the following is not the main objective		
	a) Systematic recording of transactions b) Ascertaining profit or loss c) Ascertainment of financial position d) Solving tax disputes with tax authorities implies that a business unit is separate and distinct from the person who owns or controls it (Select the correct one)		
	 a) Money measurement c) Going Concern The conventions, concepts, rules, and procedure accounting practice at any given time are called 		
	a) AICPAc) GAPADepreciation is generated due to (Select the corr	b) GAAP d) none of these ect one)	
	a) Increase in the value of liabilityc) Wear and tearSalvage value means (Select the correct one)	b) Decrease in capitald) Decrease in the value of assets	
	a) Definite sale price of the asset	b) Cash to be received when life of the ass	et
(xiv)	c) Cash to be paid when asset is disposed off Financial securities which can be changed into categorized as	d) Estimated disposal value	
	a) Short-term Investmentsc) Long-term InvestmentsInformation that is used by investors for forecast	b) Inventories d) Cash Equivalents ing future earnings is compiled in	
	a) Annual Report c) Exchange Report	b) Five Years Report d) Stock Report	
	Grou	-	5 45
	(Short Answer Ty	/pe Questions) 3	x 5=15
3. If ar	2. Describe Journal Proper & its functions. 3. If the Cost price of a machine is Rs.650000 & rate of depreciation is @ 7% p.a., what will be the amount of depreciation in the 4th year on that machine in diminishing balance method? Calculate.		
4. Discuss about advantages & disadvantages of LIFO method.		(3)	
	5. Explain Provision for doubtful debt & its accounting treatment. 6. Distinguish between Provision & Reserve.		(3)
וט .ס	otinguish between Provision & Reserve.	3	(3)
lai	urnalise the following transactions: a. Transferred for Rs.700000 in cash from Mr. Ram & paid hin .60000 & allowed him 5% discount.	Rs.5000 from SBI to HSBC. b. Purchased a	(3)
	Grou	n-C	
	(Long Answer To	•	v 6-20

(Long Answer Type Questions)

5 x 6=30

7. On 1.1.2011 machinery was purchased for Rs. 80,000. On 1.7.12 additions were made to the amount of Rs.40,000. On 31.3.2013, machinery purchased on 1.7.2012, costing Rs.12,000 was sold for Rs.11,000 and on 30.06.2013 machinery purchased on 1.1.2011 costing Rs. 32,000 was sold for Rs.26,700. On 1.10.2013, additions were made to the amount of Rs.20,000.

Depreciation was provided at 10% p.a. on the Diminishing Balance Method. Show the Machinery Accounts for three years from 2011-2013. (year ended 31st December) (5) 8. Differentiate between Capital expenditure & Revenue expenditure. (5) 9. Describe the functions of accounting. 10. Estimate the amount of net profit/net loss from the following information by preparing a P/L (5) Account in the books of CORONA Ltd as on 31.3.2022: Gross Profit-Rs.100000, Telephone expenses - Rs.5000, salaries- Rs.3000, depreciation - Rs.10000, postage & stationery -Rs.11000, discount allowed -Rs.10000, discount received - Rs.15000, bad debts-Rs.3000, rent received - Rs.16000, traveling expenses - Rs.10000, insurance premium -Rs.12000. 11. Journalize the following transactions with narrations: a. Invested Rs.50000 in cash as capital. (5) b. Purchased furniture for Rs.5000 in from Mr. Rahim. c. Deposited Rs.30000 in SBI. d. Sold office furniture for Rs.10000 in cash e. Withdrawn Rs,45000 from SBI for personal use 12. A merchant, while balancing his books of accounts notices that the T.B. did not tally. It (5) showed excess credit of Rs. 1,700. He placed the difference to Suspense A/c. Subsequently he noticed the following errors: (a) Goods brought from Narayan for Rs.5,000 were posted to the credit of Narayana's A/c as Rs. 5,500 (b) An item of Rs.750 entered in Purchase Returns Book was posted to the credit of Pandey to whom the goods had been returned. (c) Sundry items of furniture sold for Rs.26,000 were entered in the sales book. (d) Discount of Rs.300 from creditors had been duly entered in creditors A/c but was not posted to discount A/c. Pass necessary journal entries to rectify these errors. Also show the Suspense A/c (5) Explain Accounting Cycle.

Page 3 of 3