



## BRAINWARE UNIVERSITY

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Brainware University  
398, Ramkrishnapur Road, Barasat  
Kolkata, West Bengal-700125

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 | b) Gitman        |
| c) William Pickles    | d) Lucas Pacioli |
- (ii) Identify the Accounting information consists of
- |   |  |
|---|--|
| a) Cost and income for managers           | b) Company's tax liability for a particular year |
| c) Financial conditions of an institution | d) All of these                                  |
- (iii) An accounting system is recognized 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 | b) Concerned with preparation and presentation of classified data  |
| c) Systematic analysis of recorded 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

(ix) Which of the following is not the main objective of accounting

- a) Systematic recording of transactions  
c) Ascertainment of financial position
- b) Ascertaining profit or loss  
d) Solving tax disputes with tax authorities

(x) \_\_\_ 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
- b) Business Entity  
d) none of these

(xi) The conventions, concepts, rules, and procedures that together make up accepted accounting practice at any given time are called \_\_\_ (Select the correct one)

- a) AICPA  
c) GAPA
- b) GAAP  
d) none of these

(xii) Depreciation is generated due to (Select the correct one)

- a) Increase in the value of liability  
c) Wear and tear
- b) Decrease in capital  
d) Decrease in the value of assets

(xiii) Salvage value means (Select the correct one)

- a) Definite sale price of the asset  
c) Cash to be paid when asset is disposed off
- b) Cash to be received when life of the asset ends  
d) Estimated disposal value

(xiv) Financial securities which can be changed into cash to their book value price are categorized as

- a) Short-term Investments  
c) Long-term Investments
- b) Inventories  
d) Cash Equivalents

(xv) Information that is used by investors for forecasting future earnings is compiled in

- a) Annual Report  
c) Exchange Report
- b) Five Years Report  
d) Stock Report

### Group-B

(Short Answer Type Questions)

3 x 5=15

2. Describe Journal Proper & its functions. (3)
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. (3)
4. Discuss about advantages & disadvantages of LIFO method. (3)
5. Explain Provision for doubtful debt & its accounting treatment. (3)
6. Distinguish between Provision & Reserve. (3)

OR

Journalise the following transactions: a. Transferred Rs.5000 from SBI to HSBC. b. Purchased a land for Rs.700000 in cash from Mr. Ram & paid him with a cheque. c. Paid to Mr. X in cash for Rs.60000 & allowed him 5% discount. (3)

### Group-C

(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. (5)



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)

- 8. Differentiate between Capital expenditure & Revenue expenditure. (5)
- 9. Describe the functions of accounting. (5)
- 10. Estimate the amount of net profit/net loss from the following information by preparing a P/L 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. (5)
- 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 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)

OR

Explain Accounting Cycle.

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