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Roll No.

BCH-102

B. COM. (HONS.) (FIRST SEMESTER)

MID SEMESTER

EXAMINATION, Nov., 2022

FINANCIAL ACCOUNTING

Time : 1½ Hours

Maximum Marks : 50

Note : (i) Answer all the questions by choosing any *one* of the sub-questions.

(ii) Each sub-question carries 10 marks.

1. (a) State, with proper explanations, whether the following statements are true or false :

(i) Accrual concept implies accounting on cash basis.

(ii) Calibre or quality of management is not directly disclosed in the Balance Sheet.

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OR

(b) Pass the necessary journal entries for the following transactions : (CO1)

(i) A cheque for ₹ 20,000 received from Mr. X, deposited into bank was returned dishonoured

(ii) Withdrawn goods for personal use (Cost ₹ 1,000, Sales price ₹ 1,400)

(iii) Goods worth ₹ 10,000 given as charity

(iv) Received ₹ 9,750 from Mr. Y in full settlement of his account for ₹ 10,000

(v) ₹ 2,000 due from Mr. Z are bad debts

2. (a) "Revenue is recognised when sale is made or when services are rendered." Explain. Also state any *three* exceptions to this rule. (CO1)

OR

(b) Pass the necessary journal entries for the following transactions : (CO1)

(i) Goods damaged by fire ₹ 10,000 and Insurance company accepted the claim for ₹ 8,000

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(ii) Paid rent to landlord ₹ 15,000. One-half of the premises are occupied by the proprietor for his own residence.

(iii) Goods worth ₹ 5,000 were distributed as free samples.

(iv) Mr. A owes ₹ 12,000. He is declared insolvent and only 40 paise in a rupee are received from his estate.

(v) Received cash ₹ 4,000 for a bad debt written off last year.

3. (a) What are Accounting Standards ? Elaborate the nature and objectives of accounting standards. (CO1)

OR

(b) From the following ledger account balances extracted from the books of Mr. K, prepare a Trial Balance as on 31st March, 2022 : (CO1)

Particulars	₹	Particulars	₹
Purchases	2,09,000	Drawings	15,900
Sundry debtors	37,100	Sundry creditors	16,600
Premises	1,24,000	Returns inwards	10,720

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Sales	2,98,000	Furniture	30,000
Returns		Tools	1,200
outward	17,800	Cash in	
Rates and		hand	780
taxes	1,560	Capital	1,70,000
Cash at		Factory	
bank	3,120	wages	11,660
Carriage		Carriage	
inwards	1,300	outwards	520
Salaries	7,800	Rent	
Stock		received	5,980
(April 1st,		Bad debts	520
2021)	50,000		
Insurance	4,200		

4. (a) Explain the procedure for issue of Accounting Standards in India. (CO2)

OR

(b) A bookkeeper extracted the following Trial Balance as on 31st March, 2022 : (CO2)

Particulars	Debit (₹)	Credit (₹)
Furniture	40,000	—
Capital	—	4,00,000
Sundry debtors	4,00,000	—
Stock (April 1st 2021)	2,08,000	—
Sundry creditors	—	1,60,000
Trade expenses	1,00,000	—
Sales	—	17,16,000
Wages	60,000	—
Stock (31st March, 2022)	1,96,000	—
Machinery	—	1,00,000
Purchases	12,50,000	—
Wife's loan to the business	1,00,000	—
Discount allowed	—	8,000
Drawings	—	90,000
Motor van	1,20,000	—
Total	24,74,000	24,74,000

You are required to redraft the Trial Balance correctly.

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5. (a) State the application of 'Matching Concept' in measurement of net income.

(CO2)

OR

(b) Enter the following transactions in Triple Column Cash-book : (CO2)

Jan.,

2022

1	Bank Overdraft	12,000
	Cash-in-hand	2,300
7	Cheque received from Ram	4,000
	Discount allowed	200
9	Cheque received from Ram deposited in bank	
12	Cheque paid to Radha	2,500
	Discount received	50
15	Ram's cheque dishonoured	
20	Money withdrawn from bank for office use	3,400

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23	Fees of children paid by cheque	750
25	Cheque received from Mira and endorsed it to Nita on 27th January	4,500
27	Bank charges	20
31	Paid into bank the entire balance after retaining ₹ 700 at office	

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520