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Roll No. ....

**BCH-102**

**B. COM. (H) (FIRST SEMESTER)**

**MID SEMESTER EXAMINATION, 2021-22**

**FINANCIAL ACCOUNTING**

**Time : 1 : 30 Hours**

**Maximum Marks : 50**

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

**(ii) Each question carries 10 marks.**

**1. (a) What do you mean by Accounting ? Who are the users of financial accounting information ? (CO : Define accounting and the related key assumptions and principles.)**

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OR

(b) Explain any five conventions and principles of Accounting. (CO : Define accounting and the related key assumptions and principles.)

2. (a) Explain accounting standards. What are the utility and limitations of accounting standards ? (CO : Discuss the nature and purpose of generally accepted principles.)

OR

(b) Differentiate between Accounting and Book-keeping. (CO : Discuss the nature and purpose of generally accepted principles.)

3. (a) Pass the necessary journal entries for the following:

- (i) Manohar Lal commenced business with ₹ 60,000.
- (ii) Paid rent in advance ₹ 4,000.

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(iv) Bought goods from Ram on credit for ₹ 3,000.

(v) Purchased goods from Gopal cash ₹ 35,000.

(vi) Sold goods to Ramesh for cash ₹ 30,000 (costing ₹ 25,000).

(vii) Wages paid ₹ 20,000.

(viii) Withdrew for personal use ₹ 50,000.

(ix) Paid ₹ 2,950 to Ram in full settlement.

(x) Charged depreciation of ₹ 300 on furniture and ₹ 100 on typewriter.

(CO : Interpret the objective of financial statement and the elements of the financial statement.)

OR

(b) What is meant by a journal ? Explain the rule of debiting and crediting as per modern approach. (CO : Interpret the objective of financial statement and the elements of the financial statement.)

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4. (a) From the following ledger accounts balances extracted from the books of Mr. K, prepare a Trial Balance as on 31st March, 2015 :

Particulars	₹
Purchases	2,09,000
Drawings	15,900
Sundry debtors	37,100
Sundry creditors	16,600
Premises	1,24,000
Returns inwards	10,720
Sales	2,98,000
Furniture	30,000
Returns outward	17,800
Tools	1,200
Rates and taxes	1,560
Cash in hand	780
Cash at bank	3,120
Capital	1,70,000
Carriage inwards	1,300
Factory wages	11,600

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Salaries	7,800
Carriage outwards	520
Stock (1st April, 2014)	50,000
Rent received	5,980
Insurance	4,200
Bad debts	520

(CO : To analyse the impact of all the accounts prepared and the accuracy of each account.)

OR

- (b) A book-keeper extracted the following Trial Balance as on 31st March, 2015 :

Particulars	Debit (₹)	Credit (₹)
Furniture	40,000	—
Capital	—	4,00,000
Sundry debtors	4,00,000	—
Stock (1st April, 2014)	2,08,000	—
Sundry creditors	—	1,60,000
Trade expenses	1,00,000	—
Sales	—	17,16,000

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Wages	60,000	—
Stock (31st March, 2015)	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. (CO : To analyse the impact of all the accounts prepared and the accuracy of each account.)

5. (a) Define/Explain the following :

- (i) Matching concept
- (ii) Assets
- (iii) Drawings

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(iv) Liabilities

(v) Capital

(CO : Define the business terminology.)

OR

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

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

(CO : Define the business terminology.)