



WEST BENGAL STATE UNIVERSITY
BBA(TAH) Honours 2nd Semester Examination, 2021

BTHACOR03T-BBA (TAH) (CC3)

FINANCIAL ACCOUNTING

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. “Stock should be valued at cost and market price whichever is lower”—Explain. 10
2. ABC Company gives you the following details: 10

Date of Purchase	Cost of Machine (Rs.)
1.4.2018	60,000
1.10.2018	40,000
1.7.2019	20,000

On 1.1.2020, one-third of the machinery which was purchased on 1.4.2018 was sold for Rs. 6,000. The company charges depreciation on Machinery @10% p.a. under Straight Line Method. Prepare Machinery Account in the books of the company up to 31.12.2020 assuming that the company closes its books on 31st December every year.

3. Briefly describe the limitation of Historical Cost Accounting. 10
4. A fire took place in the Godown of X Ltd on 15th September, 2020. From the following information; prepare a statement of claim to be made to the insurance company. 10

Details	Amount (Rs.)
Stock at cost on 1.1.2019	36,000
Stock at cost on 31.12.2019	22,500
Purchases for the year 2019	1,40,000
Sales for the year 2019	2,00,000
Purchases from 1.1.2020 to 15.9.2020	1,46,000
Sales from 1.1.2020 to 15.9.2020	1,60,000

The Stocks Salvaged was worth Rs. 7,100. It was the practice of the company to value its stock at cost less 10%. The Gross Profit remained uniform throughout the period.

5. Mr. Roy sends goods to his customers on Sale or Return basis. On the basis of the following transactions, show the necessary journal entries in the books of Mr. Roy. Assume that the accounts are closed on 31st March every year and Mr. Roy has recorded the above transactions as ordinary sales. 10
- March 12, 2021: Sent goods to customers on Sale or Return basis at cost plus 25% for Rs. 80,000.
- March 18, 2021: Goods returned by the customers for Rs. 20,000.
- March 24, 2021: Received sales information from customers for goods valued at Rs. 40,000.
- March 28, 2021: Goods lying with customers and not yet confirmed for Rs. 20,000.
6. Write short notes on the following: (any *two*) 5+5
- (i) Accounting Cycle
- (ii) Matching Concept
- (iii) Money Measurement Concept

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. Briefly explain the benefits of Accounting Standard. Write a short note on IFRS. 10+5
8. Mr. Mallick keeps his books under Single Entry System. On 1.1.2020 his capital was 69,000. An analysis of his Cash Book for the year gives the following particulars: 15

Debit	Amount (Rs.)	Credit	Amount (Rs.)
Collection from Sundry Debtors	60,000	Payment to Creditors	25,000
Additional Capital Introduced	5,000	General Expenses	10,000
		Wages	15,500
		Drawings	3,000
		Rent	7,400
		Balance at Bank	4,000
		Balance in Hand	100
	65,000		65,000

The following information is also available:

Particulars	1.1.2020	31.12.2020
	Amount (Rs.)	Amount (Rs.)
Debtors	53,000	88,000
Creditors	15,000	19,500
Stock	17,000	19,000
Plant & Machinery	20,000	20,000
Furniture	1,400	1,400

Prepare a Profit and Loss Account for the year ended 31.12.2020 and a Balance Sheet as on that date after providing 10% Interest on Capital, 15% depreciation on Plant & Machinery, 10% depreciation on Furniture and a Provision for Bad Debts @ 10% on Debtors.

9. From the following Trial Balance of Mr. X Prepare a Trading and Profit & Loss Account for the year ended 31.12.2020 and a Balance Sheet as on that date.

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Particulars	Rs.	Particulars	Rs.
Opening Stock	30,000	Sales	1,91,000
Purchases	53,000	Purchases Return	1,600
Sales Return	1,500	Discount Received	400
Carriage on Purchases	1,000	Sundry Creditors	25,500
Wages	15,000	Bills Payable	7,500
Bills Receivable	10,500	Capital	65,000
Discount allowed	800		
Salary	9,400		
Insurance	1,200		
Rent	1,800		
Sundry Debtors	43,000		
Income Tax	900		
Cash at Bank	6,700		
Closing Stock	32,000		
Furniture	12,000		
Machinery	65,000		
Bad Debts	500		
Freight	1,700		
Drawings	5,000		
	2,91,000		2,91,000

Adjustments

- Provision for Bad Debts @5% on Debtors is to be created.
- Bad Debts to be written off during the year Rs. 2,200.
- Wages include Rs. 2,600 for the year 2021 and Rent paid during the year was for 9 months.
- Depreciation should be charged on Machinery and Furniture at 10% p.a. and 5% p.a. respectively.
- Goods worth Rs. 500 was distributed as free samples but not recorded in the books.
- Bank has informed that a customer's cheque for Rs. 1,400 has been dishonoured but not yet recorded in the books of Mr. X.

10. Mention the differences between Self Balancing System and Sectional Balancing System. Discuss the advantages of Self Balancing System. 6+9
11. On 1.6.2020, X Company of Kolkata consigned 150 cases of goods to Y Company of Mumbai. The goods were charged at a pro forma invoice value of Rs. 15,000 including a profit of 25% on cost price. On the same date, X Company paid Rs. 800 as Carriage. On 1.7.2020, Y Company paid Freight Rs. 1,200 and Godown Rent Rs. 500 and sent Rs. 6,000 as Advance to X Company. On 1.9.2020, Y Company sold 120 cases for Rs. 9,800 and sent a remittance for the balance due to X Company through a demand draft after deducting an ordinary commission of 5% on gross sale proceeds. Prepare Consignment Account and Y Company Account in the books of X Company. 15
12. Distinguish between Reserve and Provision. Briefly discuss the causes of charging depreciation on fixed tangible assets. 8+7

N.B. : *Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.*

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