



**WEST BENGAL STATE UNIVERSITY**  
BBA(TAH) Honours 2nd Semester Examination, 2020

**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 as far as practicable.*

**GROUP-A**

**Answer any two questions from the following**

10×2 = 20

1. (a) Who are the users of accounting information? 4+6  
(b) Briefly explain the qualitative characteristics of accounting information.
  
2. A machine is purchased on 1<sup>st</sup> April 2017, for Rs. 50,000 and spent Rs.10,000 on its installation. On 1<sup>st</sup> October 2017, another machine was purchased for Rs. 40,000. On 1<sup>st</sup> October 2019, the first machine was sold for Rs. 1,80 000 and on the same day another new machine was purchased for Rs. 80,000. Depreciation is provided on 31<sup>st</sup> March @ 10% p.a. on written down method. Prepare Machinery Account and Depreciation Account. 10
  
3. Show journal entries to rectify the following errors assuming that these errors are detected after the preparation of trial balance. 10
  - (a) Purchase Day Book was cast short by Rs. 500.
  - (b) A machinery purchased for Rs. 50,000 was wrongly debited to Purchases account.
  - (c) Repairing charges of office car for Rs. 3,500 was debited to Car account.
  - (d) Goods valued Rs. 900 returned by S. Roy was credited to S. Sen account.
  - (e) Rs. 65 received from Mr. Roy wrongly posted to his account as Rs. 350.
  
4. Mr. X of Chennai sent 100 fans costing Rs. 1000 each to Mr. Y of Kolkata on consignment basis. Mr. X paid Rs. 1000 as freight and Rs. 500 as insurance charges. Mr. Y was able to sell 80 fans @Rs. 1,800 each. Mr. Y paid Rs. 2,000 as godown rent, fire insurance premium Rs. 500 and advertisement expenses Rs.1000. Mr. Y was entitled to 10% ordinary commission and 5% del-credere commission. There is a bad debt of Rs. 1000 incurred by Mr. Y. Mr. Y remitted the balance due through demand draft. 10  
Prepare Consignment Account and Mr. Y Account in the books of Mr. X.

**GROUP-B****Answer any two questions from the following**

15×2 = 30

5. From the following Trial Balance of Mr. Chowdhury, prepare a Trading and Profit and Loss Account for the year ended 31.03.2020 and a Balance Sheet as on that date. 15

In the Books of Mr. Chowdhury  
Trial Balance  
As on 31<sup>st</sup> March, 2020

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Furniture	10,000	Bills Payable	5,000
Opening Stock	30,000	Purchase Return	1,200
Sundry Debtors	40,000	Capital	70,000
Machinery	50,000	Discount Received	700
Purchases	1,70,000	Sales	2,31,000
Bills Receivable	11,000	Loan from Y	10,000
Carriage Inward	1,300	Sundry Creditors	30,000
Carriage Outward	900	Provision for Bad Debts	1,600
Import Duty	1,600		
Discount Allowed	700		
Sales Return	2,000		
Salaries	12,000		
Wages	10,000		
Cash at Bank	9,000		
Cash in Hand	1,000		
<b>TOTAL</b>	<b>3,49,500</b>	<b>TOTAL</b>	<b>3,49,500</b>

**Information:**

- (a) Goods for Rs. 8,000 were destroyed by fire and the insurance company admitted a claim of Rs. 7,500.
- (b) Closing Stock was valued at Rs. 30,000.
- (c) Wages include Rs.2,000 paid for installation of Machinery.
- (d) Provide Depreciation at 10% p.a. on Machinery and 5% p.a. on Furniture.
- (e) Write off Rs. 1,000 as bad debt and create provision for bad debts at 5% on Debtors.
- (f) The proprietor has taken over goods for Rs. 3,000 for personal use but not yet recorded in the books.
6. (a) What is meant by Average Clause? 3+12
- (b) A fire occurred in the godown of ABC Ltd on 15th September, 2020. From the following information, calculate the amount of claim to be lodged with the insurance company.

Particulars	Rs.
Stock at cost on 1.1.2019	20,000
Stock at cost on 31.12.2019	30,000
Purchases for the year 2019	40,000
Sales for the year 2019	60,000
Purchases from 1.1.2020 to 15.9.2020	88,000
Sales from 1.1.2020 to 15.9.2020	105,000

During the current year costs of purchase have risen by 10% above the last year's level. Selling prices have also gone up by 5%. Stock salvaged was Rs. 2,000.

7. The following is the Receipts and Payments Account of Sports Club for the year ended 31.12.19. 15

Receipts and Payments Account

For the year ended 31.12.2019

Receipts	Rs.	Payments	Rs.
To opening balance	1,600	By rent	4,800
To membership subscription	40,000	By advertisement	2,080
To receipts from concert	11,200	By general expenses	6,400
To sale of old newspaper	2,000	By flood relief expenses	4,800
To interest on investment	4,000	By salary	5,760
		By expenses for dinner	8,800
		By miscellaneous expenses	1,600
		By investment	20,000
		By upkeep of ground	3,200
		By closing balance	1,360
<b>TOTAL</b>	<b>58,800</b>	<b>TOTAL</b>	<b>58,800</b>

**Additional Information:**

- (a) Of the membership subscription, Rs. 2,400 relates to 2018 and Rs. 4,800 is outstanding for 2019.

	On 31.12.2018	On 31.12.2019
(b) Advertisement unpaid	Rs. 400	Rs. 560
(c) Salary outstanding	Rs. 800	Rs. 590
(d) Accrued interest on investment	Rs. Nil	Rs. 960

Prepare Income and Expenditure Account for the year ended 31.12.2019 and a Balance Sheet as on that date.

8. Write short notes (**any three**):

5×3 = 15

- (a) Money Measurement Concept
- (b) Concept of Conservatism
- (c) Differences between Reserve and Provision
- (d) Advantages of Self Balancing System
- (e) Disadvantages of Single Entry System.

**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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