



WEST BENGAL STATE UNIVERSITY
BBA(TAH) Honours 2nd Semester Examination, 2022

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. (a) Define “Accounting”. 2+8
(b) What are the different types of Accounts?

2. On 1.6.2020, X Company of Kolkata consigned 150 cases of goods to Y Company of Patna. The goods were charged at a pro forma invoice value of ₹15,000 including a profit of 25% on cost price. On the same date X Company paid ₹800 as Carriage. On 1.7.2020, Y Company paid Freight ₹1,200 and Godown Rent ₹500 and sent ₹6,000 as Advance to X Company. On 1.9.2020, Y Company sold 120 cases for ₹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. 10

Prepare Consignment Account and Y Company Account in the books of X Company.

3. Write short notes on: (any *two*) 5×2 = 10
(a) Matching Concept
(b) Going Concern Concept
(c) Entity Concept.

4. (a) Define “Single Entry System”. 2+8
(b) Mr. Brijesh, has provided the following particulars:

	March 31, 2020	March 31, 2021
Cash at Bank	4,500	3,000
Cash in hand	300	4,000
Stock-in-Trade	40,000	45,000
Debtors	12,000	20,000
Office Equipment	5,000	5,000
Creditors	30,000	20,000
Furniture	4,000	4,000

During the year a capital of ₹6,000 was further introduced and ₹4000 was withdrawn. A depreciation of 10% on furniture and office Equipments was charged.

Prepare a statement showing the Profit & Loss made by him for the year ended 31.03.2021.

5. What do you mean by Historical Cost Accounting? Briefly explain the limitations of Historical Cost Accounting. 2+8
6. (a) What are the causes of Depreciation? 3+7
- (b) On 1.4.2016, Boss & Company purchased Machinery worth ₹1,00,000. On 1.10.18 they purchased additional Machinery worth ₹2,00,000 and ₹20,000 was spent on installation. The accounts are closed every year on 31st March. Assuming the annual depreciation to be 10%, show the Machinery Account for 4 years under Straight Line Method.

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. Why Financial Accounting Standards are important in preparation of Financial Statement? 15
8. Write a short note on different types of Inventory Control Technique. 15
9. Journalise the transactions and post them into ledger: 15

April 1st, 2022	Started business with ₹5,00,000 out of which ₹2,00,000 was deposited into Bank
» 2nd,	Bought Furniture ₹50,000 and Machinery ₹1,00,000
» 3rd,	Purchased goods for ₹14,000
» 6th,	Sold goods for ₹8,000
» 8th,	Purchased goods from Madhu & Co. ₹1,00,000
» 9th,	Paid telephone bill for the month ₹2,500
» 15th,	Sold goods to Keshri for ₹20,000
» 19th,	Withdrawn ₹15,000 for personal use
» 25th,	Bought shares of TATA, at ₹60 per share, Brokerage ₹2000 (Total share purchased 500)
» 29th,	Sold 200 shares at ₹65, Brokerage ₹2000
» 30th,	Paid for: Salaries: ₹15,000 Stationery: ₹4,500 Rent: ₹2,000

10.(a) What are the different types of Errors committed during recording of transactions?

7+8

(b) Rectify the following Errors assuming that Suspens A/c was opened.

- (i) Furniture Purchased for ₹10,000 wrongly debited to purchase A/c.
- (ii) Machinery purchased on credit from pay for ₹20,000 recorded through Purchase Book as ₹6,000
- (iii) Repairs on overhauling of second hand machinery ₹1,400 debited to Machinery A/c as ₹2,400
- (iv) Depreciation provided on machinery ₹4,000 was not posted to Machinery A/c.

11. Prepare the Trading and Profit & Loss A/c of M/s. Aristro Steel Ltd. from the following Trial Balance and a Balance Sheet as at 31.3.2020.

15

Debit Balance	₹	Credit Balance	₹
Drawings	6,000	Creditors	16,802
Debtors	38,200	Capital	60,000
Carriage inward	7,858	Loan on Mortgage	17,000
" Outward	2,808	Bad Debt Provision	1,420
Establishment Expenses	16,194	Sales	2,22,486
Interest on Loan	400	Purchase Return	2,692
Cash in hand	6,100	Discount	880
Stock	11,678	Bills Payable	5,428
Motor Car	18,000	Rent Received	500
Cash at Bank	9,110		
Land & Building	24,000		
Bad Debt	1,250		
Purchase	1,34,916		
Sales Return	15,642		
Advertisement	4,528		
Bills Receivable	13,764		
General Expenses	16,760		
	<u>3,27,208</u>		<u>3,27,208</u>

Adjustments:

- (a) Depreciation On: Land & Building @ 5% Motor Vehicle @15%.
- (b) Interest on Loan @5% (taken on 1.4.2019).
- (c) General Expenses amounting to ₹2,200 is due.
- (d) Bad Debts provision is to be brought up to 5% on Debtors.
- (e) Closing Stock ₹13,700.
- (f) Good Costing ₹1,000 were taken by the proprietor for his personal use.

12. On 1.4.2020, the godown of Vista Ltd. was destroyed by fire and a considerable part of the stock was destroyed. The stock salvaged was ₹40,000. Vista Ltd. had taken a fire insurance policy for ₹1,68,000 to cover the loss of stock by fire.

The records of the company revealed the following particulars:

	₹
Stock on 01.01.2019	1,70,000
Stock on 31.12.2019	2,20,000
Purchases during 2019	4,10,000
Sales during 2019	5,30,000
Purchase from 01.01.2020 to the date of fire	75,000
Sales from 01.01.2020 to the date of fire	1,00,000
Wages paid during 2019	89,160
Wages paid from 01.01.2020 to the date of fire	23,500

It was the practice of the company to value its stock at cost plus 10%. Calculate the amount of claim to be submitted to the Insurance Company.

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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