



‘रामानुज यज्ञः समिति: रामानुजः’

UNIVERSITY OF NORTH BENGAL
B.Com. Honours 1st Semester Examination, 2024

CC1-COMMERCE

FINANCIAL ACCOUNTING

REVISED NEW SYLLABUS

Time Allotted: 2 Hours

Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

Answer any *two* questions

$12 \times 2 = 24$

1. A Delhi merchant has a Branch at Kolkata to which he charges the goods at cost plus 25%. The Kolkata Branch keeps its own Sales Ledger and transmit all cash received to the Head Office every day. All expenses are paid from Head Office. 12

The transaction of the Branch were as follows:

Particulars	Amount (₹)
Stock (01.01.2023)	22,000
Debtors (01.01.2023)	2,000
Petty Cash (01.01.2023)	200
Cash Sales	5,300
Goods sent to Branch	40,000
Collection on Ledger Account	42,000
Goods returned to Head office	600
Bad Debts	600
Allowance to Customer	500
Return Inward	1,000
Cheques sent to Branch:	
Rent	1,200
Wages	400
Salaries and other expenses	1,800
Stock (31.12.2023)	26,000
Debtors (31.12.2023)	4,000
Petty Cash (31.12.2023)	250
(including Miscellaneous Income remitted ₹50)	

Prepare the Branch Account, the Branch Trading and Profit & Loss Account for the year ended 31st December, 2023 in the Head Office Books.

2. Prepare Consignment Account in the books of M/s Ramakrishna Concern as on 31st December, 2023 from the following particulars given below:

On 1.1.2023, M/s. Ramakrishna Concern of Kolkata consigned 20,000 kg of a particular variety of goods to M/s. Vasudha of Delhi at a cost of ₹120 per kg and paid ₹1,20,000 on insurance and freight. 400 kg of the item was lost in transit. M/s. Vasudha took delivery of the remaining goods consigned and paid unloading charges of ₹38,000. Printing and Advertisement expenses were ₹40,000 and godown rent ₹5,000. 450 kg was lost due to leakage in the godown of M/s. Vasudha (which was considered as normal loss). 16,000 kg of the goods consigned was sold by M/s. Vasudha @ ₹150 per kg. Commission @10% on sales is payable to M/s. Vasudha.

3. A, B, C and D were partners in a firm sharing profits and losses in the ratio 3:3:2:2. The following was their Balance Sheet as at 31st December, 2023: 12

Liabilities	Amount (₹)	Assets	Amount (₹)
Partners' Capital:		Furniture	14,000
A	20,000	Debtors	22,000
B	15,000	Less: Provision for Bad Debts	<u>1,000</u>
A's Loan	12,500		21,000
Sundry Creditors	25,000	Cash at Bank	3,000
		Stock	12,500
		Capital:	
		C	16,000
		D	6,000
	72,500		72,500

The firm dissolved on 31.12.2023. B was appointed to realise the assets and pay off the liabilities and was entitled to receive 5% of the amount realised from the assets.

The assets realised as follows:

Furniture ₹11,000; Debtors ₹16,500; Stock ₹10,500

Sundry creditors were paid in full including a contingent liability of ₹3,500. Realisation expenses of ₹1,500 were paid by the firm. C was insolvent and ₹5,000 could be recovered from his private estate.

Write up the Realisation Account, Bank Account and Capital Accounts of the partners following the rules given in Garner vs Murray.

4. (a) What are the causes of depreciation? 6+6
 (b) What are the limitations of Accounting?

GROUP-B

5. Answer any **four** questions: 6×4 = 24
 (a) Explain Money Measurement concepts. 6

(b) Virat Kohli purchased a machine under instalment basis from Machine Trading Company on 1.1.2023. The cash price of the machine was ₹93,000. The payment for the purchase is to be made as under:

	(₹)
On signing the agreement	18,000
At the end of first year	30,000
At the end of second year	30,000
At the end of third year	30,000

Prepare Machine Trading Company Account (vendor) in the books of Virat Kohli.

(c) ABC Ltd. purchased a machine on 1.1.2022 at a cost of ₹2,00,000. The scrap value of the machine was estimated at ₹20,000 and its life at 5 years. On 1.1.2023 the machine was sold for ₹1,20,000. Another machine of same type was purchased at a cost of ₹1,00,000 on that date. The scrap value of the machine was estimated at ₹12,000 and its life at 10 years. The installation cost of the first and second machine were ₹20,000 and ₹4,000 respectively.

Show Machinery Account for the years 2022 and 2023.

(d) A and B enter into Joint Venture agreeing to share profits and losses as $\frac{3}{4}$ and $\frac{1}{4}$ respectively. On 1.1.2023, A sent ₹40,000 to B. B purchased several varieties of goods and sent them to A. The particulars of such purchases are as follows:

2,000 shirts @ ₹20 each = ₹40,000, 1,000 cotton trousers @ ₹10 each = ₹10,000, 400 track suits @ ₹20 each = ₹8,000. The expenses paid by B amounted to ₹400. A sold the first variety for ₹70,000 and the 2nd at ₹25,000 and the 3rd at ₹10,000. His expenses were ₹1,000. Moreover as per agreement Mr. A is to receive a commission of 2% on the sales effected by him.

Show the Joint Venture Account in the books of A.

(e) What are the differences between Hire Purchase System and Instalment Purchase System?

(f) Explain circumstances under which a firm is dissolved.

GROUP-C

$3 \times 4 = 12$

6. Answer any **four** questions:

(a) What is Del Credere Commission? 3

(b) Write a note on 'Matching Concept'. 3

(c) Define Depreciation. 3

(d) What is Accrual Basis of Accounting? 3

(e) Distinguish between proforma invoice and account sales. 3

(f) Explain three functions of accounting. 3

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