



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

UACFMAJ11001/UMNGMAJ11001-COMMERCE
FINANCIAL ACCOUNTING

Time Allotted: 2 Hours 30 Minutes

Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

1. Answer any **four** questions:

- (a) What is 'Going Concern Concept'? State its implications in accountancy. 3×4 = 12
- (b) Differentiate between 'Reserve' and 'Provision'. 3
- (c) What do you mean by Bad debts? How does it differ from doubtful debt? 3
- (d) On 01.01.2022 the machinery account in the books of a firm stands at Rs. 75,000. A part of the machinery (whose book value on 01.01.2022 was Rs. 15,000) was sold for Rs. 13,500 on 01.04.2022. 3
- On 01.10.2022 the firm purchases a new machine at Rs. 25,000
- The firm charges depreciation @ 10% p.a. on diminishing balance method and closes books on 31st December every year.
- Calculate the amount of Depreciation to be charged at the end of the year.
- (e) What is sectional balancing ledger system? 3
- (f) Distinguish between Joint Venture and Partnership. 3

GROUP-B

2. Answer any **four** questions:

- (a) A fire occurred on the premises of a merchant on 1.7.2023 and a considerable part of the stock was destroyed. The value of stock saved from fire was Rs. 45,000. 6×4 = 24
- On 1.4.2023, the stock was valued at Rs. 3,35,000. Purchases from 1.4.2023 to the date of fire were Rs. 10,00,000 and the sales were Rs. 16,55,000. 6
- On investigation of books of accounts, it was understood that the average gross profit during the last 5 years were 40%. The stock was insured for Rs. 3,00,000. Find the claim amount to be lodged. Also show the Memorandum Trading Account for the relevant period.
- (b) State the differences between a profit organisation and a non-profit organisation. 6

- (c) Amal and Bimal are partners in a firm with capitals Rs. 4,00,000 and Rs. 2,00,000 respectively as on 1st April 2023. The partnership deed contains the following clauses:

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- (i) Interest on Capital @ 5% p.a.
- (ii) Interest on drawings @ 3% p.a.
- (iii) Bimal to get a salary @ Rs. 5,000 per month.
- (iv) Both will get commission @ 10% each on the net profit.
- (v) Profits and losses to be shared in proportion to their capital

The net profit of the firm for the year ended 31st March 2024 amounts to Rs. 2,05,000 and the drawings of the partners are:

Amal- 24,000

Bimal-10,000

Prepare the Profit and Loss Appropriation Account for the firm.

- (d) From the following information prepare a Sales Ledger Control Account to be maintained in the nominal ledger of a concern where self-balancing ledgers are kept:

6

	Rs.
Opening Balance: (Dr.)	22,000
(Cr.)	500
Sales during the year	65,400
Cash received from customers	46,200
Discount allowed this year	2,800
Returns by customer during the year	6,500
Bad Debts written off	7,300
Allowances to customers	720
Reserve for Bad Debts (as per Journal)	10,000
Bad Debts previously written off but recovered in cash this year	700
Bills dishonoured	500
Closing credit balance	1,540

- (e) Distinguish between Trial Balance and Balance Sheet.

6

- (f) What is del credere commission? State the person who will bear loss on account of bad debt when:

6

- (i) Consignee gets del credere commission
- (ii) Consignee does not get del credere commission.

GROUP-C

Answer any two questions

12×2 = 24

3. The following is trial balance of M/s Roy Traders as on 31st March 2024. You are requested to prepare the Trading and Profit and Loss Account for the year ended 31st March, 2024 and a Balance Sheet as on that day after making the necessary adjustments:

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Particulars	Debit (Rs.)	Credit (Rs.)
Capital	-	4,80,000
Drawings	1,35,000	-
Land and Buildings	4,50,000	-
Creditors	-	3,15,000
Plant and Machinery	1,20,000	-
Purchases Returns	-	7,950
Bills Receivable	18,000	-
Sales	-	6,54,000
Stock (01.04.2023)	1,20,000	-
Purchases	1,53,000	-
Wages	78,000	-
Carriage Outwards	1,500	-
Carriage Inward	3,000	-
Salaries	1,14,000	-
Discount	10,200	-
Bank Balance	79,800	-
Debtors	1,35,000	-
Bad Debts	3,600	-
Sales Returns	6,000	-
Furniture	18,000	-
Advertisements	11,850	-
	14,56,950	14,56,950

The following adjustments are to be made:

- Stock as on 31st March 2024 was valued at Rs. 1,05,000
- Furniture purchased Rs. 10,000 was wrongly included in purchases
- Rs. 5,000 due from a debtor (included in Debtors) has become bad
- Provision for Bad debts to be created @ 5% on debtors
- Wages outstanding is Rs. 4,500
- Prepaid advertisement is Rs. 1,500
- Depreciate furniture @ 10% Land and Building @ 5% and Plant and Machinery @ 10% .

4. (a) "Accounting is an information system" — Explain.

6+6

(b) What are accounting conventions? Explain the accounting conventions in detail.

5. Risha and Manisha decided to work a Joint Venture for the sale of electric motors.

6+6

On 21st May, 2023, Risha purchased 200 electric motors @ Rs. 300 each and despatched 150 motors to Manisha incurring Rs. 1,000 as freight and insurance charges. 10 electric motors were damaged in transit.

Turn Over

On 1st February, 2024, Rs. 600 were received by Risha from the Insurance Company in full settlement of her claim.

On 15th March, 2024, Risha sold 60 electric motors @ Rs. 450 each. She received Rs. 15,000 from Manisha on 1st April, 2024.

On 25th May, 2023 Manisha took delivery of electric motors and incurred the following expenses:

	Rs.
Repairing charges to damaged motors	600
Clearing charges	250
Godown Rent	500

Manisha sold the motors as follows:

1st February 2024:

10 damaged motors @ Rs. 200 each

40 motors @ Rs. 400 each

13th March 2024:

20 motors @ Rs. 550 each

80 motors @ Rs 650 each

It is agreed that they are entitled to commission @ 10% on the respective sales effected by them and the profits and losses shall be shared between Risha and Manisha in the ratio of 2:1 respectively.

Manisha remits to Risha the balance of money due on 30th April, 2024.

Prepare:

- (i) Joint Venture Account in the books of Risha.
- (ii) Memorandum Joint Venture Account (to represent the transactions).

6. (a) Das & Co. of Siliguri consign goods costing Rs. 25,000 to their agent, Mitra of Alipurduar, on which they pay freight, insurance and charges Rs. 1,500, drawing on him at 90 days for Rs. 20,000. They discount the bill at Mercantile Bank being charged Rs. 250 therefore. After two months they received from their agent an account sales informing that the consignment has been sold for Rs. 45,000, that expenses amounting to Rs. 750 have been incurred and also showing a deduction of 2 percent of the amount realised as an agreed commission.

9+3

A draft on the ABC Bank Ltd. was enclosed for the balance due.

Show the important Ledger Accounts in the books of Consignor.

- (b) Write a short note on Loss of Profits Insurance Policy.

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