



**WEST BENGAL STATE UNIVERSITY**  
B.Com. Honours 1st Semester Examination, 2021-22

**FACACOR01T-B.Com. (CC1)**

**FINANCIAL ACCOUNTING-I**

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. Write short notes on the following: (any two) 5+5
  - (a) Money Measurement Concept
  - (b) Going Concern Concept
  - (c) Entity Concept.
  
2. Show Journal Entries to rectify the following errors assuming that the errors are detected after the preparation of Trial Balance. Also prepare the Suspense Account. 10
  - (a) Sales Day Book was overcast by Rs. 600.
  - (b) Purchase of Furniture passed through the Purchase Day Book Rs. 1,230.
  - (c) Rs. 110 received from Mr. Singh was posted to his account as Rs. 1,100.
  - (d) Salary account was debited with Rs. 5,000 in place of Rs. 4,000.
  - (e) Rs. 3,000 received from Mr. Banerjee against debts previously written off as Bad Debts credited to his personal account.
  
3. Briefly explain the salient features of Accounting Standard. What are the needs for issuing Global Accounting Standard? 5+5
  
4. On 1.1.2018, X Company purchased some Machinery for Rs. 50,000. On 1.7.2019, additional Machinery for Rs. 10,000 was purchased. On 1.4.2020, further additions of Rs. 6,400 were made. On 30<sup>th</sup> June, 2021, the Machinery original value of which was Rs. 8,000 on 1.1.2018 was sold for Rs. 6,000. Depreciation is charged at 10% p.a. under Straight Line Method. 10

Prepare Machinery Account in the book of X Company assuming that the company closes its books on 31<sup>st</sup> December every year.

5. A fire occurred in the premises of a company on 15.09.2021. From the following information, calculate the claim to be made to the insurance company. 10

Particulars	Amount Rs.
Stock at cost 01.01.2020	20,000
Purchases in 2020	40,000
Sales in 2020	60,000
Stock at cost 31.12.2020	30,000
Purchases from 01.01.2021 to the date of fire	88,000
Sales from 01.01.2021 to the date of fire	1,05,000
Stock salvaged	2,000
Value of the policy	35,000

During the current year, cost of purchases and selling prices has gone up by 10% and 5% respectively above the last year's level.

6. Mr. Mukherjee sends goods to his customers on Sale or Return basis. The following transactions took place during the month of March 2021: 10

March 12, 2021: Sent goods to customers on Sale or Return basis at cost plus 25% for Rs. 40,000.

March 18, 2021: Goods returned by the customers for Rs. 10,000.

March 24, 2021: Received sales information from customers for goods valued at Rs. 20,000.

March 28, 2021: Goods lying with customers and not yet confirmed for Rs. 10,000.

Show the necessary journal entries in the books of Mr. Mukherjee assuming that the accounts are closed on 31st March every year and Mr. Mukherjee records the above transactions as ordinary sales.

### GROUP-B

**Answer any two questions from the following**

15×2 = 30

7. What do you mean by Historical Cost? Briefly explain the limitations of Historical Cost Accounting. 2+13

8. Mr. X of Kolkata consigned goods for Rs. 1,20,000 to Mr. Y of Mumbai at Invoice Price adding  $33\frac{1}{3}\%$  on cost. Mr. X paid Rs. 2,000 as loading expenses. Mr. Y paid Rs. 1,000 as unloading expenses and Rs. 2,000 as selling expenses. Mr. Y sold  $\frac{4}{5}$ th of goods for Rs. 1,90,000. He is entitled to 10% ordinary commission. He remitted the balance due to Mr. X through a bank draft. 15

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

9. The following balances are available from the books of Samiresh, a small trader.

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Particulars	01.01.2020 RS.	31.12.2020 RS.
Building	60,000	60,000
Equipment	1,20,000	1,34,000
Furniture	10,000	10,000
Debtors	?	48,000
Creditors	32,000	?
Stock	?	34,000
Bank Loan	20,000	16,000
Cash	32,000	22,000

The transactions of Samiresh during the year ended 31st December, 2020 were the following:

Particulars	Rs.
Collection from Debtors	1,86,000
Payment to Creditors	1,22,000
Cash Purchases	32,000
Expenses	20,000
Sale of one equipment (Book Value Rs. 10,000)	6,000
Drawings	20,000

Cash sales amounted to 10% of total sales. Credit sales amounted to Rs. 1,80,000. Credit Purchases were 80% of Total Purchases. Equipment and Furniture are to be depreciated by 10% p.a. and Building by 2%. Samiresh sells goods at cost plus  $33\frac{1}{3}\%$ . His suppliers allowed him discount Rs. 2,000.

You are required to prepare the Trading and Profit & Loss Account of Samiresh for the year ended 31st December, 2020.

10. Distinguish between Self Balancing System and Sectional Balancing System. Discuss the advantages of Self Balancing System. 6+9 = 15

11. Given below is the Receipts and Payments Account of a library for the year ending 31<sup>st</sup> December, 2021: 15

Receipts	Rs.	Payments	Rs.
To Balance b/d (01.01.2021)	9,000	By Salaries	13,600
To Admission Fees	11,000	By Rent	16,500
To Subscription	39,000	By Investments	7,000
To Lecture Halls Hire Receipts	5,000	By Postage & Stationery	2,500
To Miscellaneous Receipts	700	By Electric charges	1,460
To Interest on Investments	1,200	By Books	12,000
		By General Expenses	1,400
		By Balance c/d (31.12.2021)	11,440
	<b>65,900</b>		<b>65,900</b>

You are required to prepare an Income and Expenditure Account for the year ended 31.12.2021 and a Balance Sheet as on that date.

**Information:**

- (a) On 31.12.2020 the library had the following assets:  
Furniture Rs. 11,000; Books Rs. 90,000 and Investments Rs. 40,000
- (b) Subscription for 2022 received in 2021 Rs. 1,200 and Outstanding Salary and Outstanding Rent for the year ended 31.12.2021 were Rs. 2,400 and Rs. 1,500 respectively.
- (c) 60% of the Admission Fees should be capitalized
- (d) Furniture and Library Books are to be depreciated at 6% and 10% p.a. respectively.

12. The following is the Trial Balance of M/s. Singhvi Traders as on 31.03.2021:

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Debit Balances	Rs.	Credit Balances	Rs.
Drawings	10,000	Capital	1,70,000
Office Equipment	1,10,000	Sales	1,65,000
Purchases	84,000	Returns	4,000
Returns	5,000	Bad debts recovered	26,450
Bad debts	5,000	Discount received	1,000
Carriage inward	5,000	Creditors	2,02,000
Carriage outward	7,000	Bills payable	5,600
Discount allowed	2,000	Bank overdraft	29,000
Commission	4,000	10% Loan (taken on 01.04.2020)	30,000
Rent	4,000		
Interest on Loan	1,500		
Office expenses	16,000		
Debtors	2,15,000		
Bills Receivable	10,000		
Investment	50,000		
Opening stock	54,000		
Cash	50,550		
	<b>6,33,050</b>		<b>6,33,050</b>

**Additional Information:**

- (a) Closing Stock was valued at Rs. 80,000.
- (b) Depreciation is to be charged on Office Equipment @ 10% p.a.
- (c) Goods costing Rs. 10,000 was destroyed by and the insurance company admitted a claim to the extent of 60% only.
- (d) Of the Bills Receivables, a bill of Rs. 4,000 is dishonoured. No entry has been made in the books of account.
- (e) Write off Rs. 9,000 as bad debt and maintain a provision for bad debt @ 5%.
- (f) Manager is entitled to a commission of 5% of net profit before charging his commission.

You are required to prepare a Trading and Profit & Loss Account for the year ended on 31.03.2021 and a Balance Sheet as on the date.

**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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