BC/BCH-1.1

2022

(CBCS)

(1st Semester)

COMMERCE

(Honours)

Paper Code: BCH-1.1

(Financial Accounting)

Full Marks: 75
Pass Marks: 40%

Time: 3 hours

The figures in the margin indicate full marks for the questions

1. (a) Define accounting. Explain the objectives and limitations of accounting. 2+7+6=15

Or

(h) Define Accounting Standard. Explain the need and benefits of Accounting Standard. 2+6+7=15

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(Turn Over)

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2. (a) What is depreciation? State briefly the different causes of depreciation.

Distinguish between straight-line method and diminishing-balance method.



Or

(b) The following Trial Balance as at 31st March, 2019 is drawn from books of Raj Kumar a trader:

Trial Balance as at 31st March, 2019

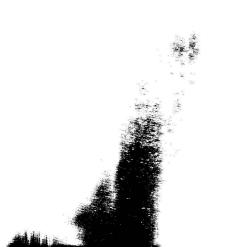
Particulars	Dr. (₹)	(P)
Cash in Hand	70,000	
Cash at Bank	1,30,000	
Wages	1,50,000	
Sales		40,00,000
Machinery	19,20.000	•
Bills Receivable	3,00,000	
Opening Stock	6,40,000	(6)50
Creditors		3.00.000
Purchases	25,00,000	
Saiaries Return	60,000	
Salaries	2,70,000	
Distance	8,10,000	
insurance	1,70,000	
Bad Debts	60,000	
Freight on Purchases	48.000	
Capital		000.000.85
	İ	. 38,000
Commission	5,000	
Input CGST	5,000	
Input SGST		
	71,38.000	71,38,000

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Taking into consideration the following adjustments prepare Trading and Profit & Loss Account for the year ended 31st March, 2019 and a Balance Sheet as on that date:

8+7=15



- (i) Closing Stock—₹8,00,000
- (ii) Outstanding Salaries—₹32.000 and Outstanding Wages—₹20,000
- aii) Prepared Insurance =₹10,000 and Accrued Commission=₹1,000
- tion Charge depreciation of Machinery a 10% p.a.
- 3. (a) What do you understand by hirepurchase system? Mention any six characteristics of hire-purchase system. Distinguish between hire-purchase system and installment system. 3+6+7=15

Or

- (b) From the bollowing into mattern, prepare

 Tournal entries in the Book of Buyer

 and (ii) Machinery A/C and 1/8 Motors

 A/C in the Book of Buyer

 7+4+4-15
 - 11) X purchase a machinery from Y Motors at ₹1,00,000 As on 01.01.2011
 - (2) Down payment made on the date ₹40,000

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- (3) Three equal annual installments of \$20,000 along with interest @ 5%
- (4) Rate of depreciation will be charged (a) 10% on straight-line method as on 31st December each year
- (a) What is Branch Accounting? Write its objects. Distinguish between Independent Branch 3+5+8=15

Or

(b) Head Office of a company invoices goods to its branch at cost-plus 25% From the following particulars, prepare (i) Branch Stock Account, in Branch Adjustment Account and im Branch Profit & Loss Account 5+5+5=15

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Particulars	(₹)
Opening Stock at Branch at Invoice Price Goods sent to Branch at Invoice Price	50.00 0 5,00.000 1,00,00 0
Office Expenses Loss of Goods in-transit at Invoice Price	50,000 6.10,000
Pilferage as the Price Closing Stock at Branch at Invoice Price Company	20,00 0 60,00 0
Recovered from Insurance Company against Loss of Goods in transit	30,000

5. (a) Bring out clearly the difference between dissolution of partnership and dissolution of firm State how and under what circumstances a firm may be dissolved.

8+7=15

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Or

ib: X, Y and Z sharing profits in $\frac{1}{2}$ nd, $\frac{1}{3}$ rd and $\frac{1}{6}$ th respectively decided to dissolve the firm from 01-01-2019 when their Balance Sheet was as follows:

Balance Sheet

Ditterior Street			
Liabilities	(₹)	Assets	(?)
Creditors Bill's Fayable X's Soan X's Sapital Y's Capital Z's Sapital X's Tapital	40,000 7,000 10,000 90,000 10,000 1,500	Land & Buildings Stock Sundry Debtors Bank Y's Current A/c Z's Current A/c Profit & Loss A/:	57,000 50,000 50,000 3,000 2,000 5,000 1,500

Land and Buildings were sold for ₹40,000 and Stock and Debtors realized ₹30,000 and ₹42,000 respectively Goodwill was sold for ₹500. The expenses on realization came to ₹1,200. Z is insolvent and a dividend of 50 paise in the raper is received from his estate.

Prepare Realization Account Partners Capital Accounts and Bank Account as per Garner vs. Murray decision.

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