(iii) Depreciate furniture @ 10% p.a.

(iv) During the year goods costing Rs.2,000 were distributed as free sample for which no entry has been passed in the books.

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63 (FY)SEM-1/MAJ1/COMMAJ1014

2024

COMMERCE

Paper : COMMAJ1014

(Financial Accounting)

Full Marks : 70

Pas Marks : 28

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Choose the correct answer : 1×6=6

(a) AS-1 deals with

(i) Cash flow statement

(ii) Valuation of inventory

(iii) Disclosure of Accounting Policies

(iv) Lease

(b) Realization Account is a

(i) Personal Account

(ii) Nominal Account

(iii) Real Account

(iv) Capital Account

(c) The difference between Hire Purchase Price and the Cash Price is called

(i) Hire charge

(ii) Cash price

(iii) Cost of the assets

(iv) Instalment

(d) What does FIFO mean ?

(i) Finished Stock Infinished Stock Out

(ii) Fabrications Inward Fabrication Outward

(iii) Final Input Final Output

(iv) First In First Out

(e) The difference between goods sent by HO and received by branch is known as

(i) Goods in Transit

(ii) Goods in Warehouse

(iii) Goods in Production

(iv) Goods in Godown

(f) Which accounting concept ensures that financial transactions are recorded in the books at their original cost ?

(i) Going Concern Concept

(ii) Cost Concept

(iii) Realization Concept

(iv) Consistency Concept

2. Answer the following questions : ***(any five)*** $2\times5=10$

(a) What is IFRS ?

(b) Write a note on 'Interest Suspense Account'.

(c) Mention the *two* objectives of Accounting Standards.

(d) What is 'Perpetual Inventory System'?

(e) What do you mean by Synthetic System of Branch Accounting?

(f) Explain *any two* distinctions between Capital Expenditure and Revenue Expenditure.

(g) Write a note on 'Recognition of Expenses'.

3. Answer the following questions : ***(any six)*** 5×6=30

(a) Briefly explain *five* features of Accounting Principles.

(b) Explain the terms 'Accounting Concepts' and 'Accounting Convention'.

(c) Mention *five* distinctions between Hire Purchase System and Instalment Purchase System.

(d) Write *five* features of measurement of business income.

(e) Write a short note on piecemeal distribution.

(f) M/s. Barua Brother's furnished the following information regarding purchase of the inventory during the month of April, 2024 :

2024 :

April, 1 Purchases 400 units @ Rs.14

April, 10 Purchases 1000 units @ Rs.16

April, 20 Purchases 400 units @ Rs.18

April, 30 Purchases 500 units @ Rs.20

A physical inventory taken on April, 30, 2024 shows that there are 550 units in hand. You are required to calculate the value of inventory according to LIFO method.

(g) Mr. Shiv Nath is a Tax Consultant. He carried on his profession from rented premises. His incomes and expenses for the year ended on 31–03–2024 are as under :

Rent of chamber paid Rs. 33,000 and Rent for the month of March, 2024 payable Rs. 3,000.

Salary of Clerk and Office Peon paid Rs. 80,000.

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Salary paid in advance to Office Peon Rs.1,200.

Salary of Clerks outstanding Rs. 2,000

Telephone charges paid Rs. 19,500

Miscellaneous expenses paid Rs.14,860

Fees received from clients in cash Rs. 2,94,600

Fees for the year 2023–24 due from the clients Rs.16,700.

You are required to ascertain Mr. Shiv Nath's net income for the year ended on 31–3–2024 under

(i) Cash basis and *(ii)* Accrual basis of Accounting.

(h) Ankit purchased a Truck from Amit on Hire Purchase System whose cost price is Rs. 60,000 on 1st April, 2020, Rs. 20,000 is paid at the signing of the agreement and the balance is to be paid in three equal instalments of Rs. 20,000 each. The rate of interest being 22% p.a.

You are required to calculate the amount of interest included in each instalment.

(i) From the following particulars, prepare Branch Account in Head Office Books, showing the Profits or Loss of the Branch :

Opening Stock at the Branch Rs. 30,000

Goods sent to Branch Rs. 90,000

Sales (Cash) Rs. 1,20,000

Expenses :

Salaries Rs. 10,000

Other Expenses Rs. 4,000

Closing Stock could not be ascertained but it is known that the Branch sells at cost plus 20%. The Branch Manager is entitled to a commission of 5% on the profit of the Branch before charging such commission.

4. Answer the following questions : ***(any two)*** 12×2=24

(a) Explain in brief the various modes of dissolution of partnership firm.

(b) *(i)* Write a note on qualitative characteristics of Accounting Information. 6

(ii) Mention six branches of accounting and explain briefly any one of them. 6

(c) Raj purchased a Motor car on Hire Purchase System. As per terms he is required to pay Rs. 70,000 down, Rs. 53,000 at the end of first year Rs. 49,000 at the end of second year and Rs. 55,000 at the end of third year. Interest is charged @10% p.a. and depreciation on Motor Car written off @ 10% p.a. on W.D.V. method. Pass journal entries in the books of Raj for 3 years.

(d) From the following Trial Balance of M/s. Sarma Stores, Kokrajhar, Assam as on 31st March, 2024, prepare—

(i) A Trading and Profit and Loss Account for the year ended on 31st March, 2024, and

(ii) A Balance Sheet as on that date :

Trial Balance

Debit	**Rs.**	**Credit**	**Rs.**
Opening Stock	8,400	Capital	45,000
Building	40,000	Bills Payable	13,400
Salaries	12,400	Sales	71,400
Rent	3,500	Interest Received	400
Furniture	5,750	Creditors	4,200
Wages	6,400	Outstanding wages	900
Purchases	38,000	Output CGST	10,500
Carriage Inward	1,450	Output SGST	10,500
Sundry Expenses	2,600		
Drawings	3,000		
Sundry Debtors	15,000		
Bills Receivable	6,000		
Input CGST	6,900		
Input SGST	6,900		
	1,56,300		1,56,300

Adjustments :

(i) Closing Stock Rs. 9,750

(ii) Salaries Prepaid Rs. 400