



**WEST BENGAL STATE UNIVERSITY**  
B.Com. Honours 1st Semester Examination, 2020, held in 2021

**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
- (i) Principle of Conservatism
- (ii) Matching Concept
- (iii) Entity Concept
2. Show Journal Entries in the books of Mr. X to rectify the following errors assuming that these are detected after the preparation of Trial Balance. Also prepare the Suspense Account. 10
- (i) Return Inward Book was overcast by Rs. 500.
- (ii) Wages paid to Mr. Z for Rs. 1,000 but debited to his personal account.
- (iii) A cash sale of Rs. 1,335 duly entered in the Cash Book but posted to sales account as Rs. 2,335.
- (iv) A purchase of Machinery for Rs. 1,500 was entered in the Purchase Day Book as Rs. 500.
- (v) A credit purchase of Rs. 1,000 from B. Roy has been credited to C. Roy.
3. What do you mean by Accounting Standards? Briefly explain the benefits of Accounting Standards. 2+8
4. X Company gives you the following details: 10

Date of Purchase	Cost of Machine (Rs.)
01.04.2018	60,000
01.10.2018	40,000
01.07.2019	20,000

On 1.1.2020, one-third of the machinery which was purchased on 1.4.2018 was sold for Rs. 6,000. The company charges depreciation on Machinery @ 10% p.a. under Straight Line Method. Prepare Machinery Account in the books of the company up to 31.12.2020 assuming that the company closes its books on 31<sup>st</sup> December every year.

5. On 1.4.2020, the godown of Vista Ltd. was destroyed by fire and a considerable part of the stock was destroyed. The stock salvaged was Rs. 40,000. Vista Ltd. had taken a fire insurance policy for Rs. 1,68,000 to cover the loss of stock by fire. 10

The records of the company revealed the following particulars:

	Rs.
Stock on 01.01.2019	1,70,000
Stock on 31.12.2019	2,20,000
Purchases during 2019	4,10,000
Sales during 2019	5,30,000
Purchase from 01.01.2020 to the date of fire	75,000
Sales from 01.01.2020 to the date of fire	1,00,000
Wages paid during 2019	89,160
Wages paid from 01.01.2020 to the date of fire	23,500

It was the practice of the company to value its stock at cost plus 10%. Calculate the amount of claim to be submitted to the Insurance Company.

6. Mr. Palash sends goods to his customers on Sale or Return basis. The following transactions took place during the month of March 2020: 10

March 12, 2020 : Sent goods to customers on Sale or Return basis at cost plus 25% for Rs. 40,000.

March 18, 2020 : Goods returned by the customers for Rs. 10,000.

March 24, 2020 : Received sales information from customers for goods valued at Rs. 20,000.

March 28, 2020 : Goods lying with customers and not yet confirmed for Rs. 10,000.

Show the necessary journal entries in the books of Mr. Palash assuming that the accounts are closed on 31<sup>st</sup> March every year and Mr. Palash 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 Accounting? Briefly explain the limitations of Historical Cost Accounting. 2+13

8. Aslam keeps his books under Single Entry System. On 1.1.2020 his capital was 15

Rs. 69,000. An analysis of his Cash Book for the year gives the following particulars:

Debit	Amount (Rs.)	Credit	Amount (Rs.)
Collection from Sundry Debtors	60,000	Payment to Creditors	25,000
Additional Capital Introduced	5,000	General Expenses	10,000
		Wages	15,500
		Drawings	3,000
		Rent	7,400
		Balance at Bank	4,000
		Balance in Hand	100
	<b>65,000</b>		<b>65,000</b>

	1.1.2020	31.12.2020
	Amount (Rs.)	Amount (Rs.)
Debtors	53,000	88,000
Creditors	15,000	19,500
Stock	17,000	19,000
Plant and Machinery	20,000	20,000
Furniture	1,400	1,400

Prepare a Profit and Loss Account for the year ended 31.12.2020 and a Balance Sheet at that date after providing 10% Interest on Capital, 15% depreciation on Plant and Machinery, 10% depreciation on Furniture and a Provision for Bad Debts @ 10% on Debtors.

9. From the following Trial Balance of Mr. X, prepare a Trading and Profit and Loss Account for the year ended 31.12.2020 and a Balance Sheet as on that date.

15

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Furniture	10,000	Bills Payable	5,000
Opening Stock	30,000	Purchase Return	1,200
Sundry Debtors	40,000	Capital	70,000
Machinery	50,000	Discount Received	700
Purchases	1,70,000	Sales	2,31,000
Bills Receivable	11,000	Loan from Y	10,000
Carriage Inward	1,300	Sundry Creditors	30,000
Carriage Outward	900	Provision for Bad Debts	1,600
Import Duty	1,600		

Discount Allowed	700		
Sales Return	2,000		
Salaries	12,000		
Wages	10,000		
Cash at Bank	9,000		
Cash in Hand	1,000		
<b>Total</b>	<b>3,49,500</b>	<b>Total</b>	<b>3,49,500</b>

**Information:**

- (i) Goods for Rs. 8,000 were destroyed by fire and the insurance company admitted a claim of Rs. 7,500.
- (ii) Value of Closing Stock: Rs. 30,000 (Cost Price) and Rs. 45,000 (Market Price).
- (iii) Wages include Rs. 2,000 paid for Installation of Machinery.
- (iv) Provide Depreciation at 10% p.a. on Machinery and 5% p.a. on Furniture.
- (v) Write off Rs. 1,000 as bad debt and create provision for bad debts at 5% on Debtors.
- (vi) The proprietor has taken over goods for Rs. 3,000 for personal use but not yet recorded in the books.

10. On 1.6.2020, X Company of Kolkata consigned 150 cases of goods to Y Company of Patna . The goods were charged at a pro forma invoice value of Rs. 15,000 including a profit of 25% on cost price. On the same date X Company paid Rs. 800 as Carriage. On 1.7.2020, Y Company paid Freight Rs. 1,200 and Godown Rent Rs. 500 and sent Rs. 6,000 as Advance to X Company. On 1.9.2020, Y Company sold 120 cases for Rs. 9,800 and sent a remittance for the balance due to X Company through a Demand Draft after deducting an ordinary commission of 5% on gross sale proceeds.

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

11. A summary of Receipts and Payments of MEDFARMA SOCIETY is given below: 15

**Receipts and Payments A/c for the year ended 31.12.2020**

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Balance b/f	7,000	By Payment for medicine	30,000
To Subscription	50,000	By Honorarium to doctors	10,000
To Other Receipts	14,500	By Salaries	27,500
To Interest on Investment @ 7% p.a.	7,000	By Sundry expenses	500

To Charity show proceeds	10,000	By Equipment purchased	15,000
		By Charity show expenses	1,000
		By Balance c/f	4,500
	<b>88,500</b>		<b>88,500</b>

**Additional Information:**

	<b>1.1.2020</b>	<b>31.12.2020</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Subscription due	500	1,000
Subscription received in advance	1,000	500
Stock of Medicine	10,000	15,000
Amount due to medicine suppliers	8,000	12,000
Value of Equipment	21,000	30,000
Value of Building	40,000	38,000

You are required to prepare Income and Expenditure Account for the year ended 31.12.2020 and the Balance Sheet as on that date.

12. Distinguish between Self Balancing System and Sectional Balancing System. Discuss the advantages of Self Balancing System.

6+9

**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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