

**2021**  
**COMMERCE**

[GENERAL]

**Principles of Financial Accounting**

**Paper : I**

**Group : III**

Full Marks : 100

Time : 3 Hours

*The figures in the right-hand margin indicate marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

**GROUP-A**

বিভাগ—ক

**(Marks : 50)**

(মান : ৫০)

1. Answer any **two** questions: 1×2=2  
যে-কোনো দুটি প্রশ্নের উত্তর দাও :
- i) What do you mean by Net Realisable Value of inventory?  
মজুতপণ্যের নীট বিক্রয়যোগ্য মূল্য বলতে কি বোঝ?
- ii) What is 'journal proper'?  
'প্রকৃত জাবেদা' কি?
- iii) Mention one type of error which cannot be detected by Trial Balance with an example.

[Turn over]

রেওয়ামিলে ধরা যায় না এমন একধরনের ভুল উদাহরণ সহযোগে উল্লেখ কর।

2. Answer any **two** questions: 2×2=4  
যে-কোনো দুটি প্রশ্নের উত্তর দাও :
- i) What do you mean by bill of exchange?  
বাণিজ্যিক হুণ্ডি বলতে কি বোঝ?
- ii) Give a brief idea of 'Entity Concept' with the help of an example.  
একটি উদাহরণ সহযোগে 'অস্তিত্ব ধারণা' সম্পর্কে একটি সংক্ষিপ্ত ধারণা দাও।
- iii) Why are partners' Current Accounts opened, when there are Capital Accounts of the partners?  
অংশীদারগণের Capital Accounts থাকা সত্ত্বেও অংশীদারগণের Current Accounts খোলা হয় কেন?
3. Answer any **four** questions: 6×4=24  
যে-কোনো চারটি প্রশ্নের উত্তর দাও :
- i) The following transactions took place during the month of January 2016 in DCM Limited.
- Jan. 1 Opening stock 500 units @₹35
- Jan. 5 Purchases 1000 units @₹38
- Jan. 7 Sales 300 units
- Jan. 12 Sales 800 units
- Jan. 15 Purchases 1200 units @₹34

Jan. 18 Sales 1000 units

Jan. 23 Purchases 900 units @₹30

Jan. 28 Sales 1200 units

calculate the Cost of Closing Stock based on FIFO method.

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- ii) Barun purchased a machine by cheque for Rs.90,000 on 1st January, 2014. Its probable working life was estimated at 10 years and its probable scrap value at the end of that time was estimated at Rs.10,000. It was decided to write off depreciation by equal annual instalments. You are required to pass necessary journal entries.

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- iii) State whether the followings are Capital Expenditure or Revenue Expenditure:

- a) Expenses incurred in connection with obtaining a licence for the factory were ₹10,000
- b) ₹1000 paid for removal of stock to a new site.

c) Rings and Pistons of an engine were changed at a cost of ₹5000 to get full efficiency.

d) ₹2000 spent as lawyer's fee to acquire a machine.

e) ₹10000 were spent on advertising the introduction of a new product in the market, the benefit of which will be effective during four years including current year.

f) A factory shed was constructed at a cost of 5000.

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- iv) Show by means of Journal Entries how the following items should be adjusted when preparing the Final Accounts of a firm for the year ended 31st March, 2016.

a) Closing stock at market value as on March 31, 2016 was ₹1,00,000 (cost ₹80000). Stock is being valued on a consistent basis at cost or market price whichever is lower.

b) No entry had been passed in the books for stock withdrawn from the business

by the proprietor amounting to ₹10,000.

- c) Legal charges include ₹20,000 for cost of stamp and registration of new building acquired during the year.
- d) Purchases included purchase of furniture for office use worth ₹10,000.
- e) An amount of 25000 received in respect of new capital introduced by the proprietor was wrongly credited to Sundry Debtors Account.
- f) An amount of 5000 received from a debtors was wrongly credited to Sales Account.

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- v) A and B are partners sharing profits and losses in the ratio of their effective capital. They had ₹1,00,000 and ₹60,000 respectively in their capital Accounts as on 1st January, 2016. A introduced a further capital of ₹10,000 on 1st April, 2016 and another ₹5000 on 1st July, 2016. On 30th September 2016 A withdraw ₹40,000.

On 1st July, 2016 B introduced further capital

of ₹30,000. The partners drew the following amounts in anticipation of profit. A drew ₹1000 per month at the end of each month beginning from January, 2016. B drew ₹1000 on 30th June, and ₹5000 on 30th September, 2016. 12% p.a. interest on capital is allowable and 10% p.a. interest on drawing is chargeable. Date of closing 31.12.2016.

Calculate (a) Interest on capital and (b) Interest on drawings.

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- vi) On March 15, 2016 Ramesh sold goods for 8000 to Deepak on credit. Deepak accepted a bill of exchange drawn upon him by Ramesh payable after three months. On April, 15 Ramesh endorsed the bill in favour of his creditor Poonam in full settlement of his dues of 8,250. On May 15 Poonam discounted the bill with her bank @ 12% p.a. On the due date Deepak met the Bill. Record necessary journal entries in the books of Ramesh and Poonam.

ইংরাজী প্রশ্ন দেখ।

4. Answer any **two** questions:  $10 \times 2 = 20$

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

i) A and B are partners sharing profit equally. They admit C into partnership. C paying only ₹1000 for premium out of his share of premium out of ₹1800 for 1/4th share of profit. Goodwill Account appears in the books at ₹6000. All the partners have decided that goodwill should not appear in the new firm's books.

a) Calculate new profit sharing ratio and sacrificing ratio  $2+2=4$

b) Give the necessary journal entries. 6

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ii) From the following Trial Balance of Calcutta Club prepare an Income and Expenditure Account for the year ended on 31st March, 2016 and a Balance Sheet as on that date (all figures in Rupees):

Particulars	Dr.	Cr.
General Fund	-	30,000
Cash in hand	2,000	-
Cash in Bank	4,000	-
Sundry Debtors	2,400	-
Sundry Creditors	-	1,500
Loan @ 15% (01.07.2015)	-	20,000
Furniture and Fixture	10,000	-
Club house	40,000	-
Stock of Cigar (01.04.2015)	500	-
Rent	6,000	-
Rates, Taxes and Insurance	600	-
Secretary's Honorium	1200	-
Entrance Fees	-	1,000
Subscriptions required in advance	-	1,500
Steward's and Servant's wages	5,800	-
Extension of Club house	10,000	-
Printing and Stationery	1,000	-
Law charges	500	-
Annual Subscriptions	-	30,000
Card and Billiard room receipts	-	4,000
Washing of liveries and sundries	1,600	-
Wines, Cards and Cigars sold	-	5,000
Repairs to club house and furniture	400	-
Conversion expenses	2,000	-
Wine, Cards and Cigar purchased	4,000	-
Interest on Loan	1,000	-
<b>Total</b>	<b>93,000</b>	<b>93,000</b>

*Additinal Information:*

(a) Subscriptions for 2015-16 outstanding ₹2000; (b) Write off depreciation @ 10% p.a. on furniture and 2% on Club house including the extention; (c) Stock of Cigars ₹400 and Wine ₹600 on 31.03.2016.

ইংরাজী প্রশ্ন দেখ।

iii) From the following balances extracted from the books of a trader on December 31, 2016 prepare a Trading and Profit and Loss Account for the year ended on that date and also a Balance Sheet as on the same day:

Particulars	₹	Particulars	₹
Cash in hand	480	Capital Account	42,500
Drawings	7,100	Sales	1,19,060
Plant and Machinery	9,500	Purchases Return	2,910
Stock in Trade	14,600	Bank Overdraft	1,200
Purchases	1,03,620	Creditors	10,000
Sales Return	2,100	Provision for Doubtful Debts	1,050
General Expenses	2,000		
Wages	2,400		
Rent and Rates	3,200		
Bad Debts	1,720		
Debtors	30,000		
	<b>1,76,720</b>		<b>1,76,720</b>

Note: (a) Provide 10% depreciation on Plant & Machinery; (b) Provision for doubtful debts

is to be increased to 5% on debtors; (c) A credit sale of 2000 has not been recorded in the books; (d) Plant & Machinery worth ₹1000 purchased during the year (on September 30, 2016) has been included in Purchases; (e) Rent paid in advance ₹800; (f) Stock on December 31, 2016 was valued at ₹17,300. These do not include the value of the machinery bought on 30.09.2016; (g) Wages include ₹200 for installation of plant.

ইংরাজী প্রশ্ন দেখ।

**GROUP-B**

বিভাগ—খ

**(Marks : 50)**

(মান : ৫০)

5. Answer any **two** questions: 1×2=2

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

i) What is hire purchase system?

কিস্তিবন্দী বিক্রয় ব্যবস্থা কাকে বলে?

ii) What is Self Balancing Ledger?

Self Balancing Ledger কি?

iii) What do you understand by dependent branch?  
Dependent branch বলতে কি বোঝ?

6. Answer any **two** questions:  $2 \times 2 = 4$   
যে-কোনো দুটি প্রশ্নের উত্তর দাও :

i) Mention the bases on which Rent and Depreciation are apportioned among different departments.

বিভিন্ন বিভাগের মধ্যে ভাড়া ও অবচয় বণ্টনের ভিত্তিগুলি উল্লেখ কর।

ii) How the unsold stocks are valued in Consignment Accounts?

Consignment Accounts-এ অবিক্রিত অন্তঃমজুত পণ্য মূল্যায়ন করা হয় কিভাবে?

iii) Give the journal entries in respect of Accounting for Sales on Approval when:

a) the goods are returned by customers within the specified time

b) the goods are returned by customers not within the specified time.

Accounting for Sale on Approval-এ জাবেদাগুলি লেখ যখন :

a) নির্দিষ্ট সময়কালের মধ্যে ক্রেতাগণ পণ্য ফেরৎ পাঠায়

b) নির্দিষ্ট সময়কালের মধ্যে ক্রেতাগণ পণ্য ফেরৎ পাঠায় না।

7. Answer any **four** questions:  $6 \times 4 = 24$

যে-কোনো চারটি প্রশ্নের উত্তর দাও :

i) On 1st January, 2016 Chatterjee Bros of Calcutta shipped to Shauton Bros of Chennai 400 musical instruments at the rate of ₹350 each. Chatterjee Bros incurred the following expenses on the consignment: cartage ₹150, Freight ₹1,950 and Insurance ₹2500.

The charges incurred by Shauton Bros were landing charges ₹450; storage ₹1500 and ₹1250 as fire insurance premium on stock.

On 31st December, 2016 an Account Sales was received from Shauton Bros disclosing that ₹350 instruments were sold out at ₹950 per instrument. Towards the close of the year, suddenly a new type of instrument appeared in the market and there was no possibility of selling the balance of the goods at a high price. The market price fell down to ₹250 per instrument. In the Account sales, besides their expenses Shauton Bros, charges commission at 15% on the gross sale proceeds. The unsold goods were held by them. A bank draft for the amount due was sent along with the Account sales.

You are required to prepare:

(1) Consignment to Chennai Account; (2) Shauton Bros's Personal Account; and (3) Goods sent on Consignment Account in the ledger of Chatterjee Bros.

ইংরাজী প্রশ্ন দেখ।

- ii) A fire occurred in the premises of Mr. X on June 15, 2016 and a considerable part of the stock was destroyed. The value of the stock saved was ₹400.

The books disclosed that on 1st April, 2016 the stock was valued at ₹45000, the purchases up to the date of fire amounted to ₹1,25,000 and the sales ₹1,80,000. On investigation, it was found that during the post five years, the average gross profit on sales was 30%.

You are required to prepare a statement showing the amount Mr. X should claim from the insurance company in respect of stock destroyed by the fire.

ইংরাজী প্রশ্ন দেখ।

- iii) The following details were extracted from the books of a company for the 6 months ended 31.03.2017 (all figures in rupees)

Debtor balances total on 1.10.2016	1,927
Supplier balances total on 1.10.2016	1,215
Cash paid to suppliers	7,613
Cash received from debtors	12,993
Purchases	8,849
Discount received	286
Bad debts written-off	56
Sales return	93
Purchases returns	182
Interest charged to debtors	5
Debtor's cheque dishonoured	76
Discount allowed	356
Bills payable accepted (including renewals)	891
Bill payable withdrawn upon renewal	200
Interest on bills payable renewed	3
Sales	13,308
The total of the balances extracted from the Trade Ledgers on 31.03.2017 were: Sales Ledger ₹1,808; Bought Ledger ₹1290.	
Prepare Total Debtors Account and Creditors	

Account from the details given above and show whether the balance agree with the balances per schedule as extracted from the Trade Ledgers as on 31.03.2017.

ইংরাজী প্রশ্ন দেখ।

- iv) Capital Electronics sends goods to his customers on Sale or Return. The following transactions took place during 2016.

2016		(₹)
Sept. 15	Sent goods to customers on sale or return basis at cost plus 33 $\frac{1}{3}$ %	1,00,00
Oct. 20	Goods returns by customers	40,000
Nov. 25	Received letters of approval from customers	40,000
Dec. 31	Goods with customers awaiting approval	20,000

Capital Electronics records sale or return transaction as ordinary sales. You are required to pass the necessary Journal Entries in the books of Capital Electronics assuming that accounting year closes on 31st December, 2016.

ইংরাজী প্রশ্ন দেখ।

- v) From the following particulars, prepare Branch Account showing the profit or loss of the branch for the year ended 31.12.2016 (all figures are in rupees)

	(₹)
Opening stock at all branch	30,000
Goods sent to branch	90,000
Cash sales	1,20,000
Expenses met by head	
office salaries	10,000
Other expenses	4,000
Closing stock could not be ascertained, but it is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the profit of the branch before changing such commission.	

ইংরাজী প্রশ্ন দেখ।

- vi) A Co. Ltd purchased machinery from B. Co. Ltd on hire purchase terms. The cash price of the machinery was ₹1,19,145, ₹32,000 was to be paid on 1.1.2014 and balance is to be paid in 3 installments of ₹32,000 each on 31st December every year subject to interest @ 5% p.a. Depreciation is to be provided @ 15% p.a. on the diminishing balances.



Show Machinery Account and B. Co. Ltd Account in the books of A Co. Ltd for 3 years upto 2016.

ইংরাজী প্রশ্ন দেখ।

8. Answer any **two** questions:  $10 \times 2 = 20$

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

i) The following balances as on 31.12.2016 have been extracted from the books of Sri Ram and Co. which has two departments.

Particulars	Dept.-A(₹)	Dept.-B(₹)
Opening stock as on 1.1.2016	25,000	20,000
Purchases	2,30,000	1,90,000
Purchase Returns	2000	1000
Sales	6,33,000	4,92,000
Sales Returns	3,000	2,000
Wages	1,80,000	1,60,000
Miscellaneous charges	35,000	32,000

General:

Sundry Debtors-₹1,90,000; Sundry Creditor-₹1,73,000; Plant and Machinery-₹2,40,000; Leaseholds-₹80,000; Buildings - ₹1,20,000; Furniture and Fittings- ₹48,000; Office and Selling Expenses - ₹1,28,000; Cash in hand

on 31.12.2016 - ₹8,000; Cash at Bank on 31.12.2016- ₹1,10,000; Capital - ₹5,00,000.

Plant and Machinery is to be depreciated by 10%; Building by 2%; Furniture and Fittings by 5%; Leaseholds are to be written-off by 8,000. The stock on hand as on 31.12.2016; Department A- 26,000; Department-B - 24,000.

All unallocated expenditure is to be apportioned in the ratio of the net sales of each department.

Prepare in columnar form, the Trading, Profit and Loss Account of the two department and Balance Sheet of the combined business as a whole on 31.12.2016.

ইংরাজী প্রশ্ন দেখ।

ii) On 1st March, 2016 B. Bose and K. Kar started a joint venture business to build a House and agreed to share profits and losses in the ratio of 2 : 1. The total contract price was settled at ₹2,30,000 and it was decided to receive it by cash ₹2,00,000 and by share ₹30,000. Shares are to be divided between B. Bose and K. Kar in their profit sharing ratio.

B. Bose and K. Kar contributed capital of ₹75,000 and ₹45,000 respectively and they opened a Joint Bank Account with these amounts. Also B. Bose contributed materials to the business, worth ₹25,000 from his personal resources. K. Kar also paid ₹5000 as fees for an expert for the contract. Following are the expenses met from the Joint Bank Account:

Materials ₹85000; Wages ₹25000 and other expenses ₹10000. Materials remaining unused at the end of the contract was valued at ₹10000 and was taken over by B. Bose.

Show Joint Venture Account, Ventures Account and Joint Bank Account in the books of the Joint Venture recording the above transactions assuming that final payment were made to ventures after completion of the venture (after 6 months).

ইংরাজী প্রশ্ন দেখ।

iii) Write short notes on the following:

$$2\frac{1}{2} \times 4 = 10$$

a) Del-credere commission

ঝুঁকি-বাহক কমিশন

b) Abnormal loss in case of Branch Accounting

শাখা হিসাবরক্ষণে অস্বাভাবিক ক্ষতি

c) Memorandum method of Joint Venture

যৌথ উদ্যোগের মেমোরেন্ডাম পদ্ধতি

d) Unrealised Profit in relation to Departmental Accounting

বিভাগীয় হিসাবরক্ষণ সম্পর্কিত অনাদায়ী মুনাফা