



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/BSM/SEM-3/BSM-303/2012-13**

**2012**

**FINANCIAL ACCOUNTING**

Time Allotted : 3 Hours

Full Marks : 70

*The figures in the margin indicate full marks.*

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

**GROUP – A**

**( Multiple Choice Type Questions )**

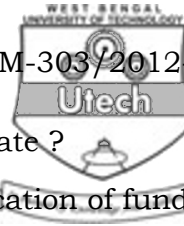
1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) GAAP means
  - a) Globally Accepted Accounting Principal
  - b) Guidelines About Accepted Procedure
  - c) Generally Accepted Accounting Principles
  - d) Generally Accepted Accounting.
- ii) Anticipate no profits but provide for all possible losses is stated under
  - a) money measurement concept
  - b) consistency concept
  - c) accrual concept
  - d) conservatism concept.



- iii) Machinery A/c is
  - a) Personal A/c
  - b) Real A/c
  - c) Nominal A/c
  - d) Expenses.
- iv) The Purchase Book records
  - a) all purchases
  - b) purchase of furniture
  - c) credit purchase of goods
  - d) only cash purchase.
- v) Summary of all ledger balances in a statement is called
  - a) Journal
  - b) Ledger
  - c) Cash book
  - d) Trial Balance.
- vi) Goods purchased on credit worth Rs. 5,000, will be recorded as
  - a) Goods A/c dr. & Purchase A/c cr.
  - b) Goods A/c dr. & Creditors A/c cr.
  - c) Purchase A/c dr. & Cash A/c cr.
  - d) none of these.
- vii) The reports generated by financial accounting includes
  - a) Profit & Loss account & Balance Sheet
  - b) Statement of changes in financial position
  - c) both (a) and (b)
  - d) none of these.



- viii) What does an accounting equation indicate ?
- a) Sources of funds are equal to application of funds
  - b) Assets and liabilities to outsiders are equal
  - c) Owner's equity only is equal to assets
  - d) Assets and liabilities put together are equal to owner's equity.
- ix) If assets accounts and expenses accounts are shown on debit side of Trial Balance, what accounts are shown on credit side of Trial Balance ?
- a) Income accounts
  - b) Income & Capital accounts
  - c) Liabilities and Capital accounts
  - d) Liabilities, Capital and Income accounts.
- x) Which of the following contains error of commission ?
- a) Ravi's account is debited by Rs. 2,000 but posted to the credit side of his A/c
  - b) Ramanan's account is debited instead of Ramana's A/c
  - c) An invoice of Rs. 1,200 is taken as Rs. 1,020 in the journal
  - d) Plant purchased is transferred to Purchase A/c.
- xi) What is Outstanding Expense ?
- a) Expense which is outstanding
  - b) Expense yet to be incurred
  - c) Expense incurred but not yet paid
  - d) Expense incurred and paid.



**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following

3 × 5 = 15

2. Define accounting. State its objectives.
3. Discuss the going concern concept of accounting.
4. Journalize the following transactions :

		Rs.
2009, Jan. 1	Mr. G. commenced business with cash	7,500
2009, Jan. 5	Purchased goods in cash	1,000
2009, Jan. 8	Bought goods from Hari	500
2009, Jan. 15	Purchased furniture from M/s. M	1,500
2009, Jan. 20	Paid cash to Hari in full settlement of his account	490

5. Prepare a triple column Cash book of A. Ahmed for the month ending 31st January, 2008 from the following particulars :

2008

Jan. 1	Cash in hand Rs. 4,000 & Bank Rs. 1,000
Jan. 2	Cash sales Rs. 6,000
Jan. 3	Received a cheque of Rs. 1,500 from Bashir & allowed him a discount of Rs. 100
Jan. 5	Ali settled his account of Rs. 1,800 after allowing him discount of Rs. 500
Jan. 10	Paid Yusuf by cheque Rs. 125 & received a discount of Rs. 50
Jan. 17	Deposited cash into bank Rs. 300
Jan. 18	Paid Salary by cash Rs. 1,100
Jan. 25	Drew cash for personal use Rs. 100
Jan. 30	Drew from bank for office use Rs. 400.

**GROUP – C****( Long Answer Type Questions )**Answer any *three* of the following.

3 × 15 = 45

6. Prepare Trading & Profit & Loss A/c for the year ended 31.3.2009 & a Balance Sheet as on that date after considering the adjustments that follow :

Particulars	Debit (Rs.)	Credit (Rs.)
Stock (1.4.2008)	60,000	
Drawings	22,000	
Trade expenses	1,350	
Salaries	11,200	
Advertising	840	
Discount	600	
Bad debts	800	
Business premises	12,000	
Furniture & Fittings	10,000	
Cash	2,060	
Capital		70,000
Purchase Returns		2,600
Purchases	1,50,000	
Sales Returns	5,400	
Wages	7,000	
Conveyance charges	1,320	
Rent, Rates and Taxes	5,600	
Interest	430	
Plant	20,000	
Sundry Debtors	92,000	
Sales		2,50,000
Sundry Creditors		60,000
Bank overdraft		20,000
	4,02,600	4,02,600



*Additional information :*

- i) Stock (31.3.2009) Rs. 90,000
  - ii) Outstanding rent Rs. 500 & outstanding wages Rs. 400
  - iii) Prepaid insurance & salaries amount to Rs. 300 & Rs. 700 respectively
  - iv) Further bad debts incurred Rs. 800
  - v) Create provision for bad debts @ 5% on debtors
  - vi) Provide depreciation on business premises @ 2.5%, Plant @ 7.5 %, Furniture @ 10%.
7. Differentiate between ( any *three* ) : 3 × 5
- i) Journal & Ledger
  - ii) Reserve & Provision
  - iii) Cash discount & Trade discount
  - iv) Trial Balance & Balance Sheet.
8. Write short notes on any *three* of the following : 3 × 5
- i) Special journal
  - ii) Cash book
  - iii) Errors not disclosed by Trial balance
  - iv) Financial Statements
  - v) Deferred revenue expenditure.
9. While preparing the Trial Balance credit showed an excess of Rs. 481, which was transferred to a Suspense A/c. On scrutiny following errors were discovered. Pass necessary journal entries with proper narration to rectify the errors & show the Suspense A/c.
- i) A credit item of Rs. 83 has been debited to Personal A/c as Rs. 38.
  - ii) A sum of Rs. 62 written off as depreciation of furniture has not been posted in the depreciation



- iii) Purchase of furniture Rs. 1,000 has been recorded in purchase book
  - iv) A discount of Rs. 51 allowed to a customer has been credited to his A/c as Rs. 15
  - v) Return inward is undercast by Rs. 8
  - vi) A sale of Rs. 68 was posted as Rs. 86 in the Sales A/c
  - vii) Sales day book was overcast by Rs. 600
  - viii) Rs. 50 received from R. Sen has been debited in the Cash book but not recorded in his book.
10. Define Depreciation. Explain straight line method of depreciation & state its advantage & limitations.

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