

2019

**FINANCIAL ACCOUNTING AND
ACCOUNTING THEORY**

[**Honours**]

PAPER — AH₁ & MH₁

Full Marks : 100

Time : 4 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*

Illustrate the answers wherever necessary

GROUP — A

(Financial Accounting)

[*Marks : 72*]

1. Answer any four questions : 4 × 4
- (a) 'Accounting is a language'. Discuss how far
the statement is accurate. 4

- (b) In an account Rs. 2,000 was spent as wages of workmen engaged in construction of building, and this amount debited to Wages A/c. What should be the correct entry ? What is the name of such error ? 3 + 1
- (c) Define Deferred Revenue Expenditure ? Explain with an example. 3 + 1
- (d) Distinguish between cash basis and Accrual basis of accounting. 4
- (e) Differentiate between Sale and Consignment. 4
- (f) What is Gaining Ratio ? State two points of difference between Sacrificing ratio and Gaining ratio. 2 + 2
- (g) What are the differences between Hire purchase and Installment payment system ? 4
- (h) What is Super Profit ? 4

2. Answer any four questions : 8 × 4

- (a) On 1st January 2016, machinery was purchased for Rs. 50,000. On 1st March,

2018 additions were made to the amount of Rs. 6,400. On 30th June, 2019, machinery of which the original value on 1st January, 2016 was Rs. 8,000 was sold for Rs. 6,000. Depreciation is charged at 10% on original cost. Show the Machinery A/c for the years from 2016 to 2019 assuming the firm closes its books on 31st December every year. 8

(b) On December 31st 2018 the Bank column of the Cash Book of Q shows a debit balance of Rs. 920. On examination of the Cash Book and Bank Statement you find that : 8

- (i) Cheques amounting to Rs. 1,260 issued before 31st December and entered in Cash Book were not presented for payment until after that date.
- (ii) Cheques amounting to Rs. 500 entered in the Cash Book as sent to the Bank on December 31st, were entered in the Bank Statement after that date.
- (iii) A cheque from a debtor for Rs. 146 had been dishonoured prior to December 31st but no record appeared in the Cash Book.

- (iv) Bank interest and charges amounting to Rs. 84 were not entered in the Cash Book but appeared in the Bank Statement.
- (v) There was no entry in the Cash Book for a club membership subscription Rs. 20, paid by Bank in November, 2018.

You are required to :

- (I) Make appropriate adjustments into Cash Book to bring down the correct balance, and
 - (II) Prepare a statement reconciling the corrected Cash Book balance with the balance as per Bank Statement.
- (c) (i) Distinguish between Joint Venture and Consignment
- (ii) What do you mean by Reserve Capital and Capital Reserve ?
- (d) X Ltd. of Kolkata consigned 5000 litres of liquor costing Rs. 30 each to Y Ltd. of Mumbai on Feb. 1, 2018 X Ltd. paid Rs. 5,000 as freight and insurance charges.

During transit 200 litres of liquor were destroyed for which the insurance company agreed to pay Rs. 5000 in full settlement.

Y Ltd. paid clearing charges Rs. 6000; godown rent Rs. 400 and Salesman's salary Rs. 900. It was entitled to 6% ordinary commission and 4% del-credere commission on sales.

On June 30, 2018 Y Ltd. reported that 4000 litres were sold for Rs. 1,65,000 and 100 litres were lost due to evaporation. A customer who bought liquor for Rs. 1,500 could pay only 40% of his amount. Y Ltd. paid its balance due by a cheque.

Show the Consignment Account in the books of X Ltd.

8

- (e) What is Hire Purchase system ? Distinguish between Hire Purchase agreement and sale. 2 + 6
- (f) For the mutual accommodation of P and Q , P accepts a bill drawn on him by Q at three months for Rs. 9,000 on 1st January, 2018. Q discounts the bill immediately for Rs. 8,100 and remits $1/3$ rd of the proceeds

to *P*. Before the bill becomes due, *Q* remits the balance due to *P* in order to enable him to meet the bill. *P* meets the bill on the due date.

Draw up the Journal entries in the books of *P* and *Q* to record the above facts. 8

- (g) X Ltd. of Bombay has a branch in Kolkata. The branch does not maintain accounting books and all the collections of the branch are remitted to head office. The head office reimburses the expenses of the branch.

Goods are invoiced to the branch at selling price which is cost plus 25% and the branch is not entitled to vary this price. From the following information prepare Branch Account in the books of Head Office under synthetic method. 8

	Opening Rs.	Closing Rs.
Balances at Branch—		
Stock	5,000	2,500
Debtors	3,200	?
Cash	400	400

Transactions during the year :

Goods sent to Branch	Rs. 40,000
Goods returned to Head office	Rs. 2,000
Credit sales at Branch	Rs. 32,000
Cash sales at Branch	Rs. 8,000
Cash received from customer at Branch	Rs. 28,000
Bills receivable accepted by customers at Branch	Rs. 2,000
Cash sent to Branch for expenses	Rs. 4,780
Shortage in stock at Branch	Rs. 500
Discount allowed to Branch customers	Rs. 320

(h) (i) Distinguish between Receipts and Payments Account and Income and Expenditure Account.

(ii) Why is average clause inserted in an insurance policy ? 5 + 3

3. Answer any *two* questions : 12 × 2

(a) Mr. Koushik keeps his books of accounts under single entry system. The following

details are obtained from his books of account.

	Furniture Rs.	Debtors Rs.	Creditors Rs.	Cash Rs.	Stock-in-trade Rs.
01.04.14	25,000	15,000	10,000	42,300	16,000
31.03.15	22,500	?	12,000	?	14,000

The transaction during the year :

Goods purchased for cash	Rs. 12,000
Total sales during the year (including cash sales Rs. 17,900)	Rs. 1,64,300
Expenses paid (including salaries)	Rs. 32,500
Received from Debtors	Rs. 70,000
Payment to Creditors	Rs. 42,500
Cash withdrawn for personal use	Rs. 2,400

Mr. Koushik wants to maintain provision for Bad debt @ 5% on closing debtors.

You are required to prepare Trading and Profit and Loss Account for the year ended 31.03.2015 and a Balance Sheet as at that date.

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(b) Write short notes on (any three) : 4 × 3

(i) Accounting Equation

(ii) Marshalling of Assets and Liabilities

(iii) Super-Profits method of valuation of Goodwill

(iv) Adjustment Entries

(v) Proforma Invoice.

(c) A, B and C are partners in a firm dealing in hardware and sharing Profits and Losses in the ratio of 4 : 3 : 3. They decided to dissolve and appointed B to realise 5% of the amounts realised from Stock and Debtors as his remuneration, and he is to bear all the expenses of realisation.

The following is the Balance Sheet as on December 31st, 2018, the date of dissolution.

<i>Liabilities</i>	Rs.	<i>Assets</i>	Rs.
Creditors	5,90,000	Cash at Bank	15,000
Capital Accounts :		Debtors	4,55,000
A Rs. 3,00,000		Less : Reserve	
B <u>Rs. 2,00,000</u>		for bad debts <u>25,000</u>	
	5,00,000		4,30,000
		Stock	6,00,000
		Capital Account :	
		C-overdrawn	45,000
	<u>10,90,000</u>		<u>10,90,000</u>

B reports the results of realisation :

Debtors realised Rs. 3,50,000, Stock Realised Rs. 4,50,000; Goodwill was sold for Rs. 20,000.

Creditors were paid Rs. 5,75,000 in full settlement.

Outstanding Creditors Rs. 5,000 had also been paid.

The expenses of realisation came to Rs. 11,000 which B met personally.

A and B agree to receive from C Rs. 30,000 in full settlement of the firm's claim, against him.

Show necessary Ledger Accounts applying Garner Vs. Murray principle. 12

(d) Distinguish between (any two) : 6 × 2

(i) Statement of Affairs in Single Entry and Balance Sheet in Double Entry.

(ii) Fixed Capital Method and Fluctuating Capital Method.

(iii) Profit and Loss Account and Profit and Loss Appropriation Account.

GROUP – B

(*Accounting Theory*)

[*Marks : 18*]

4. Answer any *three* questions : 6 × 3
- (a) Explain the term 'Accounting Theory'.
Examine the needs for learning accounting theory. 3 + 3
- (b) What do you mean by normative accounting theory? Give some examples. 4 + 2
- (c) Differentiate between Single entry and double entry system of accounting. 6
- (d) Write short notes on : 3 + 3
- (i) Going concern concept
(ii) Entry concept
- (e) Distinguish between accounting concept and accounting convention. 6
- (f) What is meant by 'revenue in accounting'?
How do you relate matching concept with earning of revenue by a firm? 3 + 3

[*Internal Assessment – 10 marks*]

বঙ্গানুবাদ

দক্ষিণ-প্রান্তস্থ সংখ্যাগুলি প্রশ্রমান নির্দেশক

পরীক্ষার্থীদের যথাসম্ভব নিজের ভাষায় উত্তর দেওয়া প্রয়োজন

বিভাগ—ক

(আর্থিক হিসাবরক্ষণ)

[মান : ৭২]

- ১। যে কোন চারটি প্রশ্নের উত্তর দাও : ৪ × ৪
- (ক) 'হিসাব একটি ভাষা', এই উক্তিটি কতদূর সঠিক তা আলোচনা কর । ৪
- (খ) কোন এক বাড়ী নির্মাণে নিযুক্ত কর্মীকে মজুরী বাবদ ২০০০ টাকা প্রদান করা হল । এবং মজুরী হিসাবে তা ডেবিট দেখান হল । সংশোধনমূলক জাবেদা দাখিলাটি কি ? এ জাতীয় ভুলের নাম কি ? ৩+১
- (গ) বিলম্বিত মুনাফা জাতীয় ব্যয় কি ? উদাহরণসহ লেখো । ৩+১
- (ঘ) নগদ ভিত্তিক এবং প্রাপ্য প্রদেয় ভিত্তিক হিসাবরক্ষণের মধ্যে পার্থক্য কর । ৪
- (ঙ) বিক্রয় এবং পণ্যচালান—এর মধ্যে পার্থক্য লেখো । ৪

- (চ) Gaining ratio কি ? Gaining ratio এবং Sacrificing ratio-এর মধ্যে দুটি পার্থক্য লেখো । ২+২
- (ছ) ভাড়াক্রয় এবং কিস্তিবন্দী ক্রয়ের মধ্যে পার্থক্য দেখাও । ৪
- (জ) Super Profit কি ? ৪

২। যে কোন চারটি প্রশ্নের উত্তর দাও : ৮×৪

(ক) On 1st January 2016, machinery was purchased for Rs. 50,000. On 1st March, 2018 additions were made to the amount of Rs. 6,400. On 30th June, 2019, machinery of which the original value on 1st January, 2016 was Rs. 8,000 was sold for Rs. 6,000. Depreciation is charged at 10% on original cost. Show the Machinery A/c for the years from 2016 to 2019 assuming the firm closes its books on 31st December every year. ৮

(খ) On December 31st 2018 the Bank column of the Cash Book of Q shows a debit balance of Rs. 920. On examination of the Cash Book and Bank Statement you find that :

(i) Cheques amounting to Rs. 1,260 issued before 31st December and entered in

Cash Book were not presented for payment until after that date.

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You are required to :

- (I) Make appropriate adjustments into Cash Book to bring down the correct balance, and
- (II) Prepare a statement reconciling the corrected Cash Book balance with the balance as per Bank Statement.

(গ) (i) যৌথ উদ্যোগ এবং পণ্য চালান-এর মধ্যে পার্থক্য কর ।

(ii) Reserve Capital এবং Capital Reserve বলতে কি বোঝ ?

(ঘ) X Ltd. of Kolkata consigned 5000 litres of liquor costing Rs. 30 each to Y Ltd. of Mumbai on Feb. 1, 2018 X Ltd. paid Rs. 5,000 as freight and insurance charges. During transit 200 litres of liquor were destroyed for which the insurance company agreed to pay Rs. 5000 in full settlement.

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Show the Consignment Account in the books of X Ltd.

(ঙ) ভাড়া ক্রয় পদ্ধতি কি ? ভাড়া ক্রয় এবং বিক্রয়ের মধ্যে পার্থক্য দেখাও । ২+৬

(চ) For the mutual accommodation of *P* and *Q*, *P* accepts a bill drawn on him by *Q* at three months for Rs. 9,000 on 1st January, 2018. *Q* discounts the bill immediately for Rs. 8,100 and remits 1/3 rd of the proceeds to *P*. Before the bill becomes due, *Q* remits the balance due to *P* in order to enable him to meet the bill. *P* meets the bill on the due date.

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(ছ) X Ltd. of Bombay has a branch in Kolkata. The branch does not maintain accounting books and all the collections of the branch are remitted to head office. The head office reimburses the expenses of the branch.

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Discount allowed to Branch customers		Rs. 320

(জ) (i) Receipts and Payments হিসাব এবং Income and Expenditure হিসাবের মধ্যে পার্থক্য কর ।

(ii) Insurance Policy তে গড় উপধারা (average clause) কথাটি যুক্ত করা হয় কেন ? ৫+৩

৩। যে কোন দুটি প্রশ্নের উত্তর দাও : ১২×২

(ক) Mr. Koushik keeps his books of accounts under single entry system. The following details are obtained from his books of account.

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১২

(খ) সংক্ষিপ্ত টীকা লেখ (যে কোন তিনটি) :

৪ × ৩

(i) হিসাব সংক্রান্ত সমীকরণ

(ii) সম্পত্তি ও দায়ের বিন্যাস সজ্জা

(iii) সুনাম মূল্যায়নের Super Profit পদ্ধতি

(iv) সমন্বয় দাখিলা

(v) Proforma Invoice ।

(গ) A, B and C are partners in a firm dealing in hardware and sharing Profits and Losses in the ratio of 4 : 3 : 3. They decided to dissolve and appointed B to realise 5% of the amounts realised from Stock and Debtors as his remuneration, and he is to bear all the expenses of realisation.

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		Stock	6,00,000
		Capital Account :	
		C-overdrawn	<u>45,000</u>
	<u>10,90,000</u>		<u>10,90,000</u>

B reports the results of realisation :

Debtors realised Rs. 3,50,000, Stock Realised Rs. 4,50,000; Goodwill was sold for Rs. 20,000.

Creditors were paid Rs. 5,75,000 in full settlement.

Outstanding Creditors Rs. 5,000 had also been paid.

The expenses of realisation came to Rs. 11,000 which B met personally.

A and B agree to receive from C Rs. 30,000 in full settlement of the firm's claim, against him.

Show necessary Ledger Accounts applying Garner Vs. Murray principle.

১২

(ঘ) পার্থক্য দেখাও (যে কোন দুটি) :

৬×২

(i) একহারা দাখিলা পদ্ধতির Statement of Affairs এবং দুই তরফা দাখিলা পদ্ধতির Balance Sheet ।

(ii) স্থির মূলধন হিসাব এবং পরিবর্তনশীল মূলধন হিসাব ।

(iii) লাভ-ক্ষতির হিসাব এবং লাভ ক্ষতি বন্টনের হিসাব ।

বিভাগ—খ

(হিসাবতত্ত্ব)

[মান : ১৮]

৪১. যে কোন তিনটি প্রশ্নের উত্তর দাও :

৬×৩

(ক) হিসাবতত্ত্ব শব্দটি ব্যাখ্যা কর এবং হিসাবতত্ত্ব শেখার প্রয়োজনীয়তা কি ?

৩+৩

(খ) আদর্শজ্ঞাপক হিসাবতত্ত্ব বলতে কি বোঝায় ? আদর্শজ্ঞাপক হিসাবতত্ত্বের কয়েকটি উদাহরণ দাও ।

৪+২

(গ) একতরফা দাখিলা পদ্ধতি এবং দুইতরফা দাখিলা পদ্ধতির মধ্যে পার্থক্য দেখাও ।

৬

- (ঘ) সংক্ষিপ্ত টীকা লেখো : ৩+৩
- (i) চলমান প্রতিষ্ঠান সংক্রান্ত ধারণা
- (ii) সত্তা সংক্রান্ত ধারণা ।
- (ঙ) হিসাব সংক্রান্ত ধারণা এবং হিসাব সংক্রান্ত প্রথার মধ্যে পার্থক্য লেখো । ৬
- (চ) রেভিনিউ বলতে কি বোঝায়.? একটি প্রতিষ্ঠানের রেভিনিউ অর্জনের সঙ্গে তুমি কিভাবে ম্যাচিং ধারণাকে সংশ্লিষ্ট করবে সে বিষয়ে আলোচনা কর । ৩+৩

[অভ্যন্তরীণ মূল্যায়ন : ১০ নম্বর]