

2019

FINANCIAL ACCOUNTING

[ General ]

PAPER – G<sub>1</sub>

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*

*Illustrate the answers wherever necessary*

1. Answer any five questions : 4 × 5
- (a) What is cash basis and accrual basis of accounting ?
- (b) What is Bank Reconciliation Statement (BRS) ? Why is it prepare ?

( Turn Over )

- (c) What is Depreciation ? Is depreciation a cash expense ?
- (d) What do you mean by prepaid expenses and outstanding expenses ?
- (e) What is partnership ? Write two features of partnership.
- (f) What do you mean by Non-profit seeking concern ? Give examples.
- (g) Distinguish between Trade discount and Cash discount.
- (h) On 15th June, 2018 Rahul draws a three months bill of ₹ 7,500 on Rakesh. The latter accepts and returns the same to the former on the same day. On the due date the bill is duly honoured.

Show the journal entries in the books of Rahul and Rakesh.

- (i) What do you mean by Compensating errors ?
- (j) Write four distinctions between Profit and Loss A/c and Profit and Loss Appropriation A/c.

2. Answer any *five* questions : 8 × 5

(a) From the following transactions, compile a Cash Book with Cash and Bank column and bring down the balance : 8

2019	₹
April 1. Rohit Commenced business with	25,000
" 4. Opened a Bank Account with S.B.I.	15,000
" 7. Bought furniture in cash	3,000
" 12. Bought goods and paid by cheque	8,000
" 16. Sold goods for cash	4,500
" 20. Commission received in cash from Mr. Karak	2,500
" 23. Paid for advertisement	1,500
" 30. Interest paid by Bank on bank balance	150

(b) Write short notes on : 4 + 4

(i) Entity concept

(ii) Going concern concept.

(c) From the following particulars of a business concern, prepare a Bank Reconciliation Statement as on 31.03.18 :

8

- (i) Bank balance as per Cash Book Rs. 9,400.
- (ii) During the month, the total amount of cheques for ₹ 12,400 were deposited into bank, out of which one cheque for ₹ 1,860 has been credited in the pass book on 2nd April, 2018.
- (iii) As per instruction, the bank on 26th March, has paid Rs. 4,400 to a creditor, but by mistake, the same has not been recorded in the cash book.
- (iv) According to agreement, on 24th March, a debtor deposited directly into the bank Rs. 9,000 but the same has not been recorded in the cash book.
- (v) In the month of March, the bank without any intimation debited the account of the business concern for Rs. 180 as bank charges and credited the same for Rs. 300 as interest.

- (d) Pass necessary Journal entries to rectify the following errors which are detected after preparation of Trial balance but before preparation of Final Accounts : 8
- (i) Return outward book undercast by Rs. 1400.
  - (ii) A cash purchase of Rs. 800 was debited in the cash book.
  - (iii) Wages paid Rs. 1600 but not posted to wages A/c.
  - (iv) Bought furniture for Rs. 2,500 but debited to purchase A/c.
- (e) On 1.01.2017, a machine was purchased for Rs. 1,00,000, Rs. 10,000 was incurred for carriage and installation of the machine. Its life was estimated to be 5 years and scrap value at Rs. 5,000. Depreciation is to be charged under straight line method.

On 30.06.2018, the machine was sold at Rs. 60,000 and a new machine costing Rs. 1,20,000 was purchased on date. The estimated life of the new machine was 5 years. Show Machine Account for the period from 01.01.2017 to 31.12.2018. 8

(f) Distinguish between Sale and Consignment. 8

(g) Dey, Sinha and Roy undertake to erect a five storied mansion for National Housing Trust Ltd. The contract price is agreed at Rs. 25,00,000 to be paid in cash Rs. 22,00,000 by four equal instalments and the balance amount in 8% Debentures of the company. They agree to share equally the profit or loss.

They open a joint bank account with cash contributed as stated below :

Dey Rs. 3,00,000; Sinha Rs. 3,75,000 and Roy Rs. 2,00,000.

Dey arranges the preparation of building plans etc. and pays Rs. 32,000 as architect's fees. Sinha brings a concrete mixer and other implements valued at Rs. 80,000 and Roy brings a motor lorry valued at Rs. 75,000.

They pay in cash for the following :

	₹
Materials	12,26,800
Wages	7,33,200
Sundry expenses	20,000
Plant	60,000

On completion of the Venture concrete mixer sold for Rs. 50,000 and plant and other implements are sold as scrap for Rs.10,000. Roy takes back the motor lorry at Rs. 40,000. Subsequently Dey takes over the Debentures issued by the company at a valuation of Rs. 2,80,000.

Show necessary ledger accounts for the Joint Venture. 8

(h) Distinguish between Hire purchase and Installment payment system. 8

3. Answer any *two* questions : 15 × 2

(a) The balance sheet of Hing and Ting as on 31st December, 2018 is set out below, they share profit and losses in the ratio of 2 : 1:

<i>Liabilities</i>	Amount	<i>Assets</i>	Amount
	Rs.		Rs.
Hing's capital	40,000	Freehold property	20,000
Ting's capital	30,000	Furniture	6,000
General Reserve	24,000	Stock	12,000
Creditors	16,000	Debtors	60,000
		Cash	6,000
		Profit and Loss A/c	6,000
	1,10,000		1,10,000

They agreed to admit Ping into the firm subject to the following terms and conditions :

- (i) Ping will bring in Rs. 21,000 of which Rs. 9,000 will be treated as premium for Goodwill to be retained in the business.



- (ii) He will be entitled to 1/4th Share of the profits of the firm.
- (iii) 50% of the General Reserve is to remain as a Reserve for Bad and Doubtful Debts.
- (iv) Depreciation is to be provided on furniture @ 5%.
- (v) Stock is to be revalued at Rs. 10,500.

Show journal entries giving effect to the aforesaid arrangement (including cash transaction) and prepare the opening balance sheet of the new partnership.

- (b) Mr. Nil Kumar is the proprietor of a business. The following Trial balance was prepared from his books as on 31st March, 2018 :

	Debit Amount Rs.		Credit Amount Rs.
Purchases	4,16,000	Sales	5,42,000
Drawings	18,000	Sundry creditors	54,000
Salaries & wages	64,000	Commission earned	9,600

	Debit Amount Rs.		Credit Amount Rs.
Return from customers	7,500	Discount Received	7,200
Rates & Insurance	4,800	Bank overdraft	27,000
Discount Allowed	6,000	Capital	1,71,600
Sundry Debtors	60,000	Return outward	6,400
		Reserve for bad debts	3,800
Bills Receivable	32,000		
Stock (1.04.17)	68,000		
Freight	5,400		
Power and Fuel	3,600		
Prepaid Salaries	4,000		
Selling Expenses	8,400		
Bad debts	2,600		
Plant & Machinery	80,000		
Rent and Taxes	9,000		
Furniture	24,000		
Cash at hand	8,300		
	<u>8,21,600</u>		<u>8,21,600</u>

*Additional information :*

- (i) Stock on 31.03.2018 valued at Rs. 60,000.
- (ii) Goods costing Rs. 4000 were taken over by Mr. Nil Kumar for his personal consumption but not recorded in the books.
- (iii) A cash purchase of Rs. 4,200 is to be recorded in the books.
- (iv) Goods costing Rs. 8,000 were destroyed by fire but not covered by the insurance company.
- (v) A sum of Rs. 800 is to be written off and a new reserve @ 10 % is to be maintained for bad debts.
- (vi) Depreciation is to be charged on Plant and Machinery @ 10% p.a. and on Furniture @ 20% p.a.

You are required to prepare a Trading A/c and Profit and Loss A/c for the year ended 31st March, 2018 and balance sheet as on *that date*.

(c) The following is the Receipts and Payments Account of Palbari Youth Club for the year ended 31.12.2018 :

Receipts	Debit Amount Rs.	Payments	Credit Amount Rs.
To Balance b/f	7,500	By Wages & Salaries	7,200
To Subscriptions :		» Electricity	2,400
for 2017 Rs.1200		» Printing & Stationery	800
for 2018 Rs.6400		» Tournament expenses	1,600
for 2019 Rs. <u>600</u>	8,200	» Sports equipments	8,000
To Endowment fund		» Charity	12,500
receipts	15,000	» balance c/d	7,600
» Hire of ground	3,600		
» Locker Rent	4,800		
» Sale of Lawn-Mower (Book value Rs. 800)	1,000		
	<u>40,100</u>		<u>40,100</u>

*Additional information :*

(i) There are 160 members, each paying an annual subscription of Rs. 60, Rs. 1500

being an arrear for 2017 at the beginning of 2018. During the year 2017 subscriptions were paid in advance by 20 members for 2018.

(ii) Sports equipments worth Rs. 3,500 remained unused on 31.12.2018.

Prepare Income and Expenditure Account for the year ended 31.12.2018.

[Internal Assessment : 10 Marks ]

### বঙ্গানুবাদ

দক্ষিণ-প্রান্তস্থ সংখ্যাগুলি প্রশ্নমান নির্দেশক

পরীক্ষার্থীদের যথাসম্ভব নিজের ভাষায় উত্তর দেওয়া প্রয়োজন

১। যে কোন পাঁচটি প্রশ্নের উত্তর দাও : ৪ × ৫

(ক) হিসাবরক্ষণে নগদ ধারণা ও প্রাপ্য ধারণা বলতে কি বোঝ ?

- (খ) ব্যাঙ্ক সমন্বয় বিবরণী বলতে কি বোঝ ? এটি কেন তৈরি করা হয় ?
- (গ) অবচয় বলতে কি বোঝ ? অবচয় কি একটি নগদ খরচ ?
- (ঘ) অগ্রপ্রদত্ত ব্যয় ও বকেয়া ব্যয় বলতে তুমি কি বোঝ ?
- (ঙ) অংশীদারী বলতে কি বোঝ ? অংশীদারীর দুটি বৈশিষ্ট্য লেখ ।
- (চ) অমুনীফা সন্ধানী প্রতিষ্ঠান বলতে কি বোঝ ? উদাহরণ দাও ।
- (ছ) ব্যবসায়িক বাট্টা ও নগদ বাট্টার মধ্যে পার্থক্য লেখ ।
- (জ) On 15th June, 2018 Rahul draws a three months bill of ₹ 7,500 on Rakesh. The latter accepts and returns the same to the former on the same day. On the due date the bill is duly honoured.
- Show the journal entries in the books of Rahul and Rakesh.
- (ঝ) পরিপূরক বা স্বয়ংশোধক ভুল বলতে কি বোঝ ।
- (ঞ) লাভ-ক্ষতির হিসাব ও লাভ-ক্ষতি বন্টনের হিসাবের মধ্যে চারটি পার্থক্য লেখ ।

২। যে কোনো পাঁচটি প্রশ্নের উত্তর দাও : ৮ × ৫

(ক) নিম্নলিখিত লেনদেনগুলি থেকে নগদ ও ব্যাঙ্ক কলম সহ  
নগদান বই তৈরি কর এবং আন্তর্জের বাহির কর : ৮

2019	₹
April 1. Rohit Commenced business with	25,000
" 4. Opened a Bank Account with S.B.I.	15,000
" 7. Bought furniture in cash	3,000
" 12. Bought goods and paid by cheque	8,000
" 16. Sold goods for cash	4,500
" 20. Commission received in cash from Mr. Karak	2,500
" 23. Paid for advertisement	1,500
" 30. Interest paid by Bank on bank balance	150

(খ) সংক্ষিপ্ত টীকা লেখ : ৪ + ৪

(i) সত্তা ধারণা

(ii) চলমান প্রতিষ্ঠান ধারণা ।

(গ) নিম্নলিখিত তথ্যাদি থেকে 31.03.18 তারিখে ব্যবসার একটি ব্যাল্ক মিলকরণ বিবরণী তৈরি কর : ৮

(i) Bank balance as per Cash Book Rs. 9,400.

(ii) During the month, the total amount of cheques for ₹ 12,400 were deposited into bank, out of which one cheque for ₹ 1,860 has been credited in the pass book on 2nd April, 2018.

(iii) As per instruction, the bank on 26th March, has paid Rs. 4,400 to a creditor, but by mistake, the same has not been recorded in the cash book.

(iv) According to agreement, on 24th March, a debtor deposited directly into the bank Rs. 9,000 but the same has not been recorded in the cash book.

(v) In the month of March, the bank without any intimation debited the account of the business concern for Rs. 180 as bank charges and credited the same for Rs. 300 as interest.



(ঘ) নিম্নলিখিত ভুলগুলি যাহা রেওয়ামিল তৈরীর পর কিম্ব চূড়ান্ত হিসাব প্রস্তুত করিবার পূর্বে ধরা পড়িয়াছে তাহাদেরকে সঠিক করিয়া জাবেদা দাখিলা কর :

(i) Return outward book undercast by Rs. 1400.

(ii) A cash purchase of Rs. 800 was debited in the cash book.

(iii) Wages paid Rs. 1600 but not posted to wages A/c.

(iv) Bought furniture for Rs. 2,500 but debited to purchase A/c.

(ঙ) On 1.01.2017, a machine was purchased for Rs. 1,00,000, Rs. 10,000 was incurred for carriage and installation of the machine. Its life was estimated to be 5 years and scrap value at Rs. 5,000. Depreciation is to be charged under straight line method.

On 30.06.2018, the machine was sold at Rs. 60,000 and a new machine costing Rs. 1,20,000 was purchased on date. The estimated life of the new machine was 5 years. Show Machine Account for the period from 01.01.2017 to 31.12.2018. ৮

(চ) বিক্রয় এবং পণ্য চালান-এর মধ্যে পার্থক্য লেখ । ৮

(ছ) Dey, Sinha and Roy undertake to erect a five storied mansion for National Housing Trust Ltd. The contract price is agreed at Rs. 25,00,000 to be paid in cash Rs. 22,00,000 by four equal instalments and the balance amount in 8% Debentures of the company. They agree to share equally the profit or loss.

They open a joint bank account with cash contributed as stated below :

Dey Rs. 3,00,000; Sinha Rs. 3,75,000 and Roy Rs. 2,00,000.

Dey arranges the preparation of building plans etc. and pays Rs. 32,000 as architect's fees. Sinha brings a concrete mixer and other implements valued at Rs. 80,000 and Roy brings a motor lorry valued at Rs. 75,000.

They pay in cash for the following :

	₹
Materials	12,26,800
Wages	7,33,200
Sundry expenses	20,000
Plant	60,000

On completion of the Venture concrete mixer sold for Rs. 50,000 and plant and other implements are sold as scrap for Rs. 10,000. Roy takes back the motor lorry at Rs. 40,000. Subsequently Dey takes over the Debentures issued by the company at a valuation of Rs. 2,80,000.

Show necessary ledger accounts for the Joint Venture.

(জ) ভাড়াক্রয় এবং কিস্তিবন্দী ক্রয়ের মধ্যে পার্থক্য লেখ। ৮

৩। যে কোনো দুটি প্রশ্নের উত্তর দাও : ১৫ × ২

(ক) The balance sheet of Hing and Ting as on 31st December, 2018 is set out below, they share profit and losses in the ratio of 2 : 1:

<i>Liabilities</i>	<i>Amount</i>	<i>Assets</i>	<i>Amount</i>
	Rs.		Rs.
Hing's capital	40,000	Freehold property	20,000
Ting's capital	30,000	Furniture	6,000
General Reserve	24,000	Stock	12,000
Creditors	16,000	Debtors	60,000
		Cash	6,000
		Profit and Loss A/c	6,000
	<u>1,10,000</u>		<u>1,10,000</u>

They agreed to admit Ping into the firm subject to the following terms and conditions :

- (i) Ping will bring in Rs. 21,000 of which Rs. 9,000 will be treated as premium for Goodwill to be retained in the business.

(ii) He will be entitled to 1/4th Share of the profits of the firm.

(iii) 50% of the General Reserve is to remain as a Reserve for Bad and Doubtful Debts.

(iv) Depreciation is to be provided on furniture @ 5%.

(v) Stock is to be revalued at Rs. 10,500.

Show journal entries giving effect to the aforesaid arrangement (including cash transaction) and prepare the opening balance sheet of the new partnership.

( ७ ) Mr. Nil Kumar is the proprietor of a business. The following Trial balance was prepared from his books as on 31st March, 2018 :

	Debit Amount Rs.		Credit Amount Rs.
Purchases	4,16,000	Sales	5,42,000
Drawings	18,000	Sundry creditors	54,000
Salaries & wages	64,000	Commission earned	9,600

	Debit Amount Rs.		Credit Amount Rs.
Return from customers	7,500	Discount Received	7,200
Rates & Insurance	4,800	Bank overdraft	27,000
Discount Allowed	6,000	Capital	1,71,600
Sundry Debtors	60,000	Return outward	6,400
		Reserve for bad debts	3,800
Bills Receivable	32,000		
Stock (1.04.17)	68,000		
Freight	5,400		
Power and Fuel	3,600		
Prepaid Salaries	4,000		
Selling Expenses	8,400		
Bad debts	2,600		
Plant & Machinery	80,000		
Rent and Taxes	9,000		
Furniture	24,000		
Cash at hand	8,300		
	<u>8,21,600</u>		<u>8,21,600</u>

*Additional information :*

- (i) Stock on 31.03.2018 valued at Rs. 60,000.
- (ii) Goods costing Rs. 4000 were taken over by Mr. Nil Kumar for his personal consumption but not recorded in the books.
- (iii) A cash purchase of Rs. 4,200 is to be recorded in the books.
- (iv) Goods costing Rs. 8,000 were destroyed by fire but not covered by the insurance company.
- (v) A sum of Rs. 800 is to be written off and a new reserve @ 10 % is to be maintained for bad debts.
- (vi) Depreciation is to be charged on Plant and Machinery @ 10% p.a. and on Furniture @ 20% p.a.

You are required to prepare a Trading A/c and Profit and Loss A/c for the year ended 31st March, 2018 and balance sheet as on that date.

( १ ) The following is the Receipts and Payments Account of Palbari Youth Club for the year ended 31.12.2018 :

Receipts	Debit Amount Rs.	Payments	Credit Amount Rs.
To Balance b/f	7,500	By Wages & Salaries	7,200
To Subscriptions :		" Electricity	2,400
for 2017 Rs.1200		" Printing & Stationery	800
for 2018 Rs.6400		" Tournament expenses	1,600
for 2019 Rs. <u>600</u>	8,200	" Sports equipments	8,000
To Endowment fund		" Charity	12,500
receipts	15,000	" balance c/d	7,600
" Hire of ground	3,600		
" Locker Rent	4,800		
" Sale of Lawn-Mower (Book value Rs. 800)	1,000		
	<u>40,100</u>		<u>40,100</u>

*Additional information :*

(i) There are 160 members, each paying an annual subscription of Rs. 60, Rs. 1500



being an arrear for 2017 at the beginning of 2018. During the year 2017 subscriptions were paid in advance by 20 members for 2018.

- (ii) Sports equipments worth Rs. 3,500 remained unused on 31.12.2018.

Prepare Income and Expenditure Account for the year ended 31.12.2018.

[অভ্যন্তরীণ মূল্যায়ন—১০ নম্বর]

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