

UNDER GRADUATE INTERMEDIATE EXAMINATION, 2020
KISHORE BHARATI BHAGINI NIVEDITA COLLEGE (CO-ED)

FINANCIAL ACCOUNTING - I

(C-II-G)

Full Marks - 100

Time: 2 hrs.

Group - A

$5 \times 10 = 50$.

1. (a) What is meant by 'revenue' in accounting ?
(b) What do you mean by 'Asset' ?
(c) What are the characteristics of Liabilities ?
(d) Explain Going-Concern Concept.
(e) Explain the doctrine of Conservatism.
(f) Why is journal called a book of original entry ?
(g) Write two differences between Cash basis and Accrual basis of accounting .
(h) What is meant by Accounting Information ?
(i) Why Stock Reconciliation Statement is prepared ?
(j) What is 'Average Clause' in respect of insurance claim ?
(k) How is normal loss treated in consignment account ?
(l) What do you mean by Inventory ?
(m) What do you mean by Accounting cycle ?
(n) What do you mean by GAAP ?

Group - B.

$2 \times 25 = 50$.

(Answer any two)

2. Write advantages & disadvantages of "Straight line method and Diminishing balance method" of charging depreciation .
3. At 31st March 2020, the accountant of ABCL has failed to balance his books of account. Give journal entries to rectify these errors .
- (a) Cash discount allowed for ₹ 600 and discount received for ₹ 400 have been posted to the wrong side of the Discount Account in the ledger .

- (b) An amount of ₹ 2000 withdrawn by the proprietor for his personal use had been debited to Travelling Expenses Account.
- (c) Return inward book was overcasted by ₹ 300.
- (d) A cheque for ₹ 3456 received from Mr. P after allowing him a discount of ₹ 46, was endorsed to Mr. N for full settlement for ₹ 3500. The cheque was finally dishonoured but no entries for dishonour were passed in the books.

(3)

From the following Trial Balance and other information of Mr. Basu, prepare Trading and Profit & Loss A/c, of Mr. Basu for the year ended 31.03.2020 and a Balance Sheet as on that date :

	Dr. (₹)	Cr. (₹)
Capital		1,00,000
Drawings		10,000
Land and Building	90,000	
Plant and Machinery	20,000	
Furniture	5,000	
Sales		1,40,000
Return Outward		4,000
Debtors	18,400	
Loan (taken on 01.07.2019 @ 6% p.a.)		30,000
Purchases	80,000	
Return Inward	5,000	
Carriage Inward	10,000	
Sundry Expenses	600	
Insurance Expenses	1,500	

Provision for bad debts		1,380
Bad Debts	400	
Stock on 01.04.2019	21,300	
Salaries and Wages	18,500	
Creditors		12,000
Trade Expenses	800	
Cash at Bank	4600	
Cash in hand	1280	
	<u>2,87,380</u>	<u>2,87,380</u>

Additional Information:

- (i) Stock on 31.03.2020 - ₹ 27,300.
- (ii) A fire broke out on 23.03.20. and ₹ 10,000 worth of goods were destroyed.
- (iii) Bad debt amounting to ₹ 400 are to be written off. Provision for bad debts is to be made at 8%.
- (iv) Mr. Basu took away goods worth ₹ 2000 for personal use but no record was made thereon.
- (v) Charge depreciation at 2% on Land and Building, 20% on Plant and Machinery and 5% on Furniture.
- (vi) Insurance prepaid amounts to ₹ 200.

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Send your answer pdf in the given email-id.