

2016

( 2nd Semester )

COMMERCE

Paper No. : BC-204

( **Financial Accounting—II** )

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

*The figures in the margin indicate full marks  
for the questions*

1. (a) Discuss any three new approaches to the formulation of accounting theory. 9

Or

- (b) Explain any three of the following : 3×3=9
- (i) Decision theory
  - (ii) Measurement theory
  - (iii) Information theory
  - (iv) Behavioural theories

2. (a) Differentiate between Statement of Affairs and Balance Sheet (any nine points). 9

Or

- (b) From the following Trial Balance of Mr. X, you are asked to prepare a Statement of Affairs and a Deficiency Account : 6+3=9

Debit	₹	Credit	₹
Cash	2,300	Creditors (Unsecured)	1,80,000
Stock in-Trade	6,600	Secured Creditors	25,000
Debtors (All Goods)	1,30,000	Preferential Claims for	
Furniture	2,820	Rent, Rates and Taxes	1,900
Investment in Shares	5,000	Capital	13,500
Value of Securities held by Creditors	35,000	Profit (2010 and 2011)	55,540
Loss (2012)	25,000		
Drawings (up to 2012)	69,220		
	<u>2,75,940</u>		<u>2,75,940</u>

3. (a) Show the list of allocation of expenses among different departments. 9

Or

- (b) From the following particulars, prepare Branch Account showing the Profit or Loss of the Branch : 9

Opening Stock at the Branch	₹ 30,000
Goods sent to Branch	90,000
Sales (cash)	1,20,000
Expenses :	
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 profits of the Branch before charging such commission.

4. (a) (i) Explain the types of insurance from accounting point of view.  
 (ii) What are meant by claims and surrender value? 5+4=9

Or

- (b) From the following information, prepare Profit and Loss Account of Thrifty Bank Ltd. for the year ended on 31st March, 2015 : 9

<i>Particulars</i>	<i>Amount (₹)</i> <i>(in 000)</i>
Interest on Loans	2,590
Interest on Fixed Deposits	3,170
Rebate on Bills Discounted	490
Commission	82
Payment to Employees	540
Discount on Bills Discounted (Gross)	1,550
Interest on Cash Credits	2,230
Rent, Taxes and Lighting	180
Interest on Overdrafts	1,540
Directors' Fees, Allowances and Expenses	30
Auditor's Fees and Expenses	12
Interest on Savings Bank Deposits	680

<i>Particulars</i>	<i>Amount (₹)</i> (in '000)
Postage, Telegrams and Telephones	14
Printing and Stationery	29
Sundry Charges	17

*Additional Information :*

- (i) Provide ₹ 2,00,000 for contingencies
- (ii) Transfer ₹ 15,57,000 to Reserves
- (iii) Transfer ₹ 2,00,000 to Central Government

5. (a) What are contra transactions? Distinguish between self-balancing system and sectional balancing system.

3+6=9

*Or*

- (b) From the following information, prepare—

- (i) Debtors' Ledger Adjustment Account in the General Ledger;
- (ii) General Ledger Adjustment Account in the Debtors' Ledger :

9

<i>Items</i>	<i>Amount</i> (₹)
Opening Balance of Sundry Debtors (Dr.)	40,000
(Cr.)	2,000
Cash and Cheques Receipts	1,60,000
Credit Sales as per Sales Day Book	2,00,000

<i>Items</i>	<i>Amount</i> (₹)
Discount Allowed	6,000
Returns Inward	4,000
Bad Debts	3,000
Bills Receivable Received	20,000
Bills Receivable Discounted	2,000
Provision for Bad Debts	2,000
Closing Credit Balance of Sundry Debtors	6,000
Transfer from Debtors' Ledger to Creditors' Ledger	1,000
Transfer from Creditors' Ledger to Debtors' Ledger	1,200

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2016

( 2nd Semester )

**COMMERCE**

Paper No. : BC-204

**( Financial Accounting—II )**

( PART : A—OBJECTIVE )

( Marks : 25 )

*The figures in the margin indicate full marks for the questions***SECTION—I**

( Marks : 15 )

1. Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick [✓] mark : 1×5=5

(a) Information theory considers the efficient use of its resources.

( T / F )

(b) Fully secured creditors are those who granted loans to the insolvent debtors against hypothecation of assets.

( T / F )

(c) Repairs and renewals should be apportioned on the basis of depreciation.

( T / F )

(d) A banking company can grant loan to any of its directors.

( T / F )

(e) At the end of each month, Sales Account is credited in the General Ledger.

( T / F )

2. Fill in the blanks :

1×5=5

(a) ..... is considered the father of modern accounting.

(b) List D contains the names of

.....

(c) Normal loss of goods is ..... loss.

(d) The accounting year of a banking company

ends on .....

(e) Valuation Balance Sheet is prepared to know surplus or deficiency of

.....

3. Match the items of *List—A* with that of *List—B* and place the codes of *List—B* in the brackets provided :

1×5=5

*List—A*

*List—B*

- |                                 |        |                           |
|---------------------------------|--------|---------------------------|
| (a) Accounting Theory           | (    ) | (i) Premiums              |
| (b) List—H                      | (    ) | (ii) 25%                  |
| (c) Schedule—1                  | (    ) | (iii) Hendriksen          |
| (d) Statutory Reserve           | (    ) | (iv) 20%                  |
| (e) Form 'B' in<br>3rd Schedule | (    ) | (v) Revenue A/c           |
|                                 |        | (vi) Deficiency           |
|                                 |        | (vii) Profit and Loss A/c |



SECTION—II

( Marks : 10 )

4. Write short notes on the following :

2×5=10

(a) Users of Accounting Information

(b) Insolvency Accounts

(c) Branch Accounting

(d) Cash Reserve Ratio (CRR)

(e) General Insurance

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