

2017

(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) Define Accounting Theory. Explain the nature and objectives of Accounting Theory. 2+4+3=9

Or

- (b) Write a note on 'Accounting as a Financial Information System'. 9

2. (a) What are 'Statement of Affairs' and 'Deficiency Account' under the Insolvency Act? How is 'Deficiency A/c' prepared? 4+5=9

3. (a) What do you mean by Departmental Accounts? Describe the objectives and advantages of Departmental Accounts.

2+3+4=9

Or

- (b) Delhi Ltd. opened a Branch at Dimapur on 1st January, 2014. Goods are sent to the Branch at cost plus $33\frac{1}{3}\%$. Prepare Dimapur Branch A/c for the year ended 31st December, 2014 and 31st December, 2015 respectively in the books of Head Office :

	2014 ₹	2015 ₹
Goods sent to Dimapur Branch at Invoice Price	4,50,000	7,00,000
Sales at Branch—		
Cash Sales	1,50,000	3,04,000
Credit Sales	1,96,000	4,10,000
Cash received from Debtors	1,54,000	3,23,000
Discount allowed to Customers	2,000	5,000
Cash sent to Branch for expenses (including petty cash)	60,000	1,00,000
Goods returned by Branch to the Head Office (invoice price)	15,000	—
Stock on 31st December at Invoice Price	84,000	69,000
Petty Cash at Branch as on 31st December	900	700

- (a) Give the specimen of Balance Sheet of a Banking Company. 9

Or

- (b) From the following particulars, you are required to prepare Fire Revenue A/c for the year ending 31st December, 2015 :

	₹
Claims paid	4,80,000
Claims outstanding on 01.01.2015	40,000
Claims intimated but not accepted on 31.12.2015	10,000
Claims intimated and accepted but not paid on 31.12.2015	60,000
Premium received	12,00,000
Reinsurance Premium	1,20,000
Commission	2,00,000
Commission on reinsurance ceded	10,000
Commission on reinsurance accepted	5,000
Expenses of management	3,05,000
Provision for unexpired risk on 01.01.2015	4,00,000
Additional provision for unexpired risk	20,000
Bonus in reduction of premium	12,000

You are required to provide for additional reserve for unexpired risks at 1% of the net premium in addition to the opening balance. 9

5. (a) What is a 'Sectional Ledger'? Briefly explain the system of Sectional Balancing. State the advantages of Sectional Balancing. 2+4+3=9

Or

- (b) From the following information, prepare Sales Ledger Adjustment A/c and Bought Ledger Adjustment A/c in the General Ledger : 9

January 1, 2015 :

Balances on Bought Ledger (Dr.)	5,000
Balances on Bought Ledger (Cr.)	48,000
Balances on Sales Ledger (Dr.)	70,940
Balances on Sales Ledger (Cr.)	1,120

December 31, 2015 :

Purchases	2,70,000
Purchase Returns	10,000
Total Sales	3,84,000
Cash Sales	20,000
Sales Returns	5,000
Cash received from customers	3,12,000
Discount Allowed	5,600
Cash paid to suppliers	2,40,000
Transfer from Sales Ledger to Bought Ledger	10,400
Provision for Doubtful Debts	4,580
Cash paid to customers, received by mistake	920

	₹
Discount received	3,600
Bills Receivable received	30,000
Bills Payable issued	11,200
Bills Receivable dishonoured	3,000
Bought Ledger balances (Dr.)	5,200
Sales Ledger balances (Cr.)	6,860

2017

(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*Answer **all** questions

SECTION—I

(Marks : 15)

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

(a) The concept of accounting income does not strictly follow the convention of Accounting.

(T / F)

(b) Rebate on bills discounted for a Banking Company is an income.

(T / F)

(c) A person who is unable to pay his debts is an insolvent.

(T / F)

(d) A self-balancing ledger is one whose balances, when extracted, do not form a complete Trial Balance.

(T / F)

(e) Insurance Company final accounts must also include a Cash Flow Statement.

(T / F)

2. Fill in the blanks :

1×5=5

(a) Roots of the Accounting Theory stem from Decision Theory, Measurement Theory and

(b) The system of Sectional Balancing is a variance of the system.

(c) Profit of life insurance company represents

.....

(d) Income increases the
of business.

(e) A Company cannot
grant loan to any of its directors.

3. Match the items in *List—A* with items in *List—B* by
placing the codes of *List—B* in the brackets provided :

1×5=5

List—A

List—B

- | | | |
|-----------------------------------|--------|---------------------------------|
| (a) Surrender Value | () | (i) Insolvency A/c |
| (b) Slip System | () | (ii) Balance Sheet
Valuation |
| (c) List H | () | (iii) Self-balancing Ledger |
| (d) Sales Ledger | () | (iv) Users |
| (e) Accounting Information System | () | (v) Banking Company |
| | | (vi) Insurance Company |
| | | (vii) Departmental A/c |

SECTION—II

(Marks : 10)

4. Write short notes on the following in about 4 or 5 sentences each : 2×5=10

(a) Accounting Theory

(b) Rebate on Bills Discounted

(c) Financial Information System

(d) Sectional Balancing Ledger

(e) Statutory Reserve
