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Revision Paper (2017-18)

Class-B.Com-I

Subject: Financial Accounting

Paper-BC-103

Time: 3 Hours **Maximum Marks: 80**

Note: Attempt five questions in all, selecting at least one question but not more than two questions from any unit. All questions carry equal marks.

UNIT – I

1. Discuss the meaning and role of Journal and Ledger in preparation of Financial Statements.

2. What do you mean by Accounting Assumptions? Explain and illustrate fully.

3. Following is the wrong trial balance. Prepare correct Trial Balance.

Name of Acts	Dr Balance	Cr Balance
Cash in Hand		2000
Purchase Returns	4000	
Wages	8000	
Establishment Exp	12000	
Sales Returns	-	8000
Capital	22000	-
Carriage out ward	-	2000
Discount Received	1200	-
Commission Earned	800	-
Machinery	-	20000
Stock	-	10000

Debtors	8000	-
Creditors	-	12000
Sales	-	44000
Purchases	28000	-
Bank overdraft	14000	-
Manufacturing Exp	-	14000
Loan from Ashok	14000	-
Carriage Inward	1000	-
Interest on Investment	----	1000

4. Distinguish between:

(i) Capital Expenditure and Revenue Expenditure

(ii) Capital Receipts and Revenue Receipts

UNIT-II

5. What is depreciation? Explain the different methods of providing depreciation.

6. Manohar Limited has a branch at Delhi to which all goods are invoiced at cost plus 20%. Branch keeps its own sales ledger and deposits all cash received daily to the head office Account. All branch expenses are to be paid by head office. Prepare a Branch Account as on 31st Dec. 2010 from the following information's.

	Rs.
Stock on 1st Jan. 2010	32000
Stock on 31st Dec. 2010	39,000
Goods sent to branch during the year	3,90,000
Goods returned by branch	13,500
Total sales	5,20,000
Cash sales	2,25,000

Debtors on 1st Jan. 2010	25,000
Debtors on 31st Dec. 2010	33,000
Discount to debtors	1,900
Rent and taxes	12,000
Salary	22,000
General expenses	7,500
Goods in transit as on 31st Dec. 2010	6,600
Computer purchased by head office for the branch	32,000
Write off 15% depreciation on computer	–

7. Distinguish between:

(i) Consignment and Joint Venture

(ii) Del Credere commission and Overriding Commission

(iii) Proforma Invoice and Account Sales

(iv) Normal loss and Abnormal loss

UNIT –III

8. X and Y are partner, sharing profits and losses in the ratio of 3:2. They admitted Z into partnership for 1/5th share of profits which he acquires from X and Y in the ratio of 2:1. Z brings Rs 5,10,000 as capital and Rs 75,000 as goodwill. 50% of the amount of goodwill is withdrawn by the old partners. Pass necessary journal entries and find out new profit- sharing ratio

9. Discuss the treatment of Goodwill in case of admission of a new partner with Journal entries.

10. The following Balance sheet of A, B and C sharing profits and losses in the proportion of 6:5:3 respectively:-

	Rs		Rs
Creditors	18,900	Cash	1,890
Bills Payable	6,300	Debtors	26,460
General Reserve	10,500	Stock	29,400
A's Capital	35,400	Furniture	7,350
B's Capital	29,850	Land and Building	45,150
C's Capital	14,550	Goodwill	5,250
	1,15,500		1,15,500

They agreed to take D into partnership and give him 1/8th share on the following terms:-

(i) That furniture be depreciated by Rs 920
(ii) That stock be depreciated by 10%
(iii) That a provision of Rs 1,320 be made for outstanding repair bills.
(iv) That the value of Land buildings having appreciated be brought upto Rs 59,850
(v) That the value of goodwill be brought upto Rs 14,070
(vi) That D should then bring in Rs 14,700 as his capital.
(vii) That after making the above adjustments the capital accounts of the old partners be adjusted on the basis of the proportion of D's capital to his share in the business, i.e, actual cash to paid off or brought in by the old partners as the case may be.

Pass the necessary Journal entries and prepare Revaluation Accounts, Capital Accounts and Balance sheet of the new firm.