

SREE CHAITANYA MAHAVIDYALAYA

INTERNAL EXAMINATION 2021-2022

B.COM (HONS.) SEM. I

SUB : Financial Accounting – I

Paper-code – FACACOR01T

Answer scripts to be submitted to the following mail id: santanumandal1963@gmail.com

Time: 1 Hr

F.M: 20

Q.1 Answer any five questions.

(5x1)=5

- a) What do you mean by GAAP?
- b) Mention two points of distinction between financial accounting and management accounting.
- c) What is meant by revenue in accounting?
- d) How can you define the term amortization?
- e) What is a statement of affairs?
- f) Define del credere commission?
- g) What do you mean by Average Clause in case of a fire insurance policy?
- h) How can you distinguish between consignment and sale?

Q.2 Answer any one question.

(1x5)=5

(a) Mr.Ram Mitra commenced business on 1.1.2019 with Rs.33,000 as capital. He kept his books under single entry system on 31-12-2019 Sunday Creditors Rs.7500, Plant Rs.15000, Stock in trade Rs.12000, Debtors Rs. 13500, Cash at Bank Rs. 13000. He drew from his business Rs. 250 per month(at the end). On 1.7.2019 he introduced a further capital amounting to Rs. 6000.

You are required to prepare a statement of profit/loss for the year ended 31-12-2019 after taking into consideration the following:

- (i) Create a reserve for Bad debt @7.5% on debtors.
- (ii) Depreciation on plant to charged@10%.

2.(b) A fire occurred at the premises of a trader on May 31 2020 destroying a great part of his stock which at 1st January 2020 in the books at Rs. 60000. The value of stock salvaged was Rs.13500. The gross profit on sales was 30% and sales amounted to Rs. 153000 from January 1,2020 to the date of fire, while for the same period the purchases amounted to Rs.108,500.

Prepare a statement of claim for submission to the insurance company.

3. Answer any one question

(10x1)=10

(a) J.K Company of Kolkata consigned 100 boxes of goods costing Rs. 30 per box to his agent P.G of Mumbai to be sold by the latter for a commission of 5% on sales. He paid Rs. 750 as freight and insurance in sending the goods. The agent sold 80 boxes for Rs. 3500. He paid Rs. 150 on various accounts before the goods arrive his godown and Rs.200 as selling expenses. The agent sent a bank draft for the amount due from him and informed that owing to the arrival of a substitute product in the market the current market price of the goods had come down the Rs. 35 per box. Show consignment account in the books of J.K Company.

3.(b) The following is the trial Balance of Mr. G as on 31st March 2012:

<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Particulars</i>	<i>Credit (Rs.)</i>
Plant & Machinery	3,10,000	Capital	4,20,000
Opening Stock	30,000	Sundry Creditors	20,000
Sundry Debtors	40000	Sales	210000
Wages	10000	Return Outward	20000
Salaries	15000	Provision for doubtful debt	1000
Rent(April 2011 to June 2012)	18000	Interest	4000
Purchases	150000		
Return Inward	10000		
Bad Debt	9000		
Insurance	3000		
Office Expenses	5000		
Cash in Hand	30000		
Cash in Bank	45000		
	675000		675000

Additional Information:

- (i) Stock on 31st March 2012 was valued at Rs. 35000.
- (ii) Further bad debt of Rs.1000 is to be written off and a Provision for Doubtful Debts @ 5% on Sundry Debtors is to be maintained.
- (iii) Goods costing Rs. 5000 have been distributed as free sample.
- (iv) Purchase of Machinery worth Rs. 20000 on 01.10.2011 has been wrongly included in purchases account.
Depreciation @10% p.a. is to be charged on Machinery.
- (v) Office expenses outstanding Rs. 500.

Prepare trading Account, Profit and Loss Account for the year ended 31.03.2012.

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