

UG/1st Sem/H/20(CBCS)

2020

## FINANCIAL ACCOUNTING-I (Honours)

Paper : COMMH - DC-1  
(CBCS)

Full Marks : 32

Time : Two Hours

*The figures in the margin indicate full marks.*

Answer the following questions.

1. What is Double Entry Book Keeping System of Accounting ? State its features?  
2+2

*Or;*

Write short notes on :

- (a) Entity Concept ;  
(b) Accrual Basis of Accounting. 2+2
2. (a) Define Accommodation Bill ?  
(b) What are transfer entries ? Give an example of transfer entry (with Journal). 2+(2+2)=6

*Or;*

On 1st July, 2020, G drew a bill for Rs. 80,000 for 3 months on H for mutual accommodation. He accepted the bill of exchange. G had purchased goods worth Rs. 81,000 from J on the same date. G endorsed H's acceptance to J in full settlement. On 1st September, 2020, J purchased goods worth Rs. 90,000 from H. J endorsed the bill of exchange received from G to H and paid Rs. 9,000 in full settlement of the amount due to H. On 1st October, 2020, H purchased goods worth Rs. 1,00,000 from G. He paid the amount due to G by cheque.

Give necessary journal entries in the books of H. 6

3. What is meant by Fixed Asset ? Briefly explain the Diminishing Balance Method of Depreciation. 2+4

*Or,*

X Ltd. purchased a machine on 1.1.2017 at a cost of Rs. 28,000. It was installed at a further cost of Rs. 2,000. The machine was depreciated on Straight Line Method @ 10% per annum up to 31.12.2019. On 1.1.2020 the company decided to change the method of depreciation from Straight Line to Diminishing Balance with effect from 1.1.2017, keeping the rate unchanged.

Show the Journal entry required to give effect to the change and also the Machinery A/c as it stood in 2018. Also show your workings. 2+2+2=6

4. A of Kolkata sent on Consignment basis goods to B of Mumbai at an invoice price of Rs. 29,675 and paid for freight Rs. 762, cartage Rs. 231 and Rs. 700. Half the goods were sold by the agents for Rs. 17,500 subject to an agent's commission of Rs. 875, storage expenses of Rs. 200 and other selling expenses of Rs. 350. One-fourth of the consignment was lost in a fire and a claim of Rs. 5,000 recovered.

Draw up Consignment to Mumbai Account in the books of A. 6

5. Following is the Trial Balance of Mr. A. K. Mukherjee, a sole trader as on 31st December, 2020 :

Debits	Rs.	Credits	Rs.
Machinery	72,000	Sales	1,82,800
Purchases	99,300	Capital	72,000
Trade Expenses	2,600	Creditors	28,600
Opening Stock	6,400	Discount Received	2,400
Debtors	49,000	Bills Payable	12,300
Salary and Wages	23,000	12% Loans from Mr. Das (31.10.20)	25,000
Furniture	12,500	Outstanding Salaries and Wages	5,300
Repairs and Maintenance	3,200		
Discount Allowed	1,800		
10% Fixed Deposit ( 1.9.2020)	15,000		
Carriage on Sale	2,400		
Insurance Premium	3,200		
Cash in Hand and at Bank	38,000		
	3,28,400		3,28,400

*Additional information :*

- (i) Closing Stock as on 31.12.2020 was valued at Rs.7,200.
- (ii) Depreciation is to be charged on fixed assets @ 10% p.a.
- (iii) Insurance premium includes Rs. 1,200 for life insurance premium of Mr. Mukherjee.
- (iv) Goods costing Rs. 5,000 were distributed as free sample.

Prepare Trading Account and Profit & Loss Account for the year ended 31-12-2020. 4+6

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