Jamia Hamdard
School of Management and Business Studies
Department of Management **Roll No...**
Odd Semester Examination - February 2023
B.Com(Hons)-I Semester
Financial Accounting
BCH105

Duration: 3 Hour Max.Marks -60

Section A - Short Answer (4X6=24)

Note: Attempt any Six Questions, All questions carry equal marks

Q1: What is Accounting? Explain its three limitations.

Q2: What is meant by 'Written Down Value 'method of providing depreciation? State its two merits.

Q3: What do you understand by Subsidiary Books of Accounts? Give a Specimen of sales book.

Q4: What is accounting standards? And also explain their utility?

Q5:Draw Ram's Account for six months in the books of Atul & Co.

Opening debit balance	14000
Credit sales to Ram	20000
Received B/R from Ram	15000
Received draft from Ram	6000
Sales to Ram	8000
Return by Ram	1000
Received cheque from Ram	10000
Ram's cheque dishonoured	10000
New cheque given for	10000
Cash Paid by Ram	8000
Discount Allowed	1000
Credit Sales to Ram	6000
B/R received from Ram	6000

Q6: What is meant by 'Provision for discount on debtors? How will you calculate the amount for provision for discount on debtors?

Q7: A and B are partners in a firm, sharing profit or loss in the ratio of 3:2. They decided to take C as a partner for 1/5 share. Find out new profit sharing ratio of partners in following conditions.

A. When new partner takes his share from old partners in their old profit- sharing ratio

B. When new partner takes his share from old partners equally.

Q8: M,N and O are partners in a firm sharing profits in the ratio of 3:2:1. Goodwill has been valued at Rs 60,000. On N's retirement, M and O agree to share profits equally. Pass the necessary Journal entry for treatment of N's share of goodwill.
Q9: How is IFRS different from generally accepted accounting principles (GAAP)?

Section B-Long Answer *(12X3=36)*

Note: Attempt any Three Questions; All questions carry equal marks

Q1: "Trial Balance is a conclusive proof of only arithmetic accuracy of account books." How far do you agree with this statement?

Q2: Explain the following accounting concepts with suitable examples:

a) Dual Aspect Concept
b) Going Concern Concept
c) Realisation Concept

Q3:

	Rs		
Debit Balances		Stock on 31-12-1999	34,200
Plant and Machinery	20,000	Motor Car	12000
Manufacturing Wages	34,500	Purchases	102,000
Salaries	15,850	Sales Returns	3,100
Furniture	10,000	Bad debts	1,400
Freight on Purchases	1,860	Interest and Bank Charges	400
Freight on Sales	2,143	Cash in Bank	4,200
Buildings	24,000	Cash in Hand	1,117
Manufacturing Expenses	9,500	Credit Balances:	
Insurance and Tax	4,250	Capital Account	80,000
Goodwill	9,000	Sundry Creditors	44,560
Investment	20,000	Bank Loan	15,000
General Expenses	8,200	Interest and Rent Recieved	4,000
Factory Fuel and Power	1,280	Purchases Returns	1,740
Sundry Debtors	78,200	Sales	2,50,850

Factory Lighting	950	Reserve for Bad Debts	2000

i. Stock on hand on 31st December 2000 was valued at Rs. 30,500.

ii. Depreciate Plant and Machinery by 10%, Furniture by 5% and Motor Car by Rs 1000.

iii. Reserve for bad debts is to be reduced to Rs.1500

iv. An amount or Rs.10,000 was borrowed from Vimal Kant on Ist July 2000 and it was returned on 31st December 2000, However, interest at 10% per annum still remains unpaid.

v. A commission of 1% on the gross profit is to be provided for works Manager.

vi. A commission of 2% on the net trading profit after charging the works Manager's Commission is to be provided to General Manager

Q4: Ravinder and Kishore are in the partnership sharing profits in the proportion of ¾ and ¼ respectively. The balance sheet of the firm on 31st December 2006 was as under:

Liabilities	Rs	Assets	Rs
Sundry Creditors	8,300	Cash at Bank	4,500
Capital Accounts		Bills Receivable	600
Ravinder	6000	Book Debts	3200
		Stock-in-trade	4000
Kishore	3200	Furniture	200
		Buildings	5000
	17500		17500

On Ist January 2007, Vivek was admitted into partnership on the following terms:

1. Vivek pays Rs 2000 as capital for 1/5 share in the firm.
2. Stock and Furniture be reduced by 10% and 5% provision for doubtful debts be created on Book Debts and B/R.
3. Value of Building be increased by 20%
4. A liability to the extent of Rs.200 be created in respect of a claim for damages against the firm.
5. An item of Rs.130 included in sundry creditors is not likely to be claimed.

Give the necessary Journal entries to incorporate the above arrangements and prepare Revaluation Account, Partners' Capital Account and initial Balance Sheet of the firm.

Q5: How a partner may retire from firm? What are the various modes of it's of payment?

Q6: Explain the term Depreciation along with its causes and significance of providing Depreciation.