Department of Management
School of Management and Business Studies
Jamia Hamdard
B.Com- Semester I
Odd Semester Examination - December 2025

Subject Name: Financial Accounting **Max. Marks: 60**

Subject Code: BCH-DC-03 **Time: 2.5 Hours**

***Attempt both sections as per instructions.**

Section A - Short Answer (6 x 4 = 24)

Instructions for Section A: Attempt any Six Questions. All questions carry equal marks

Q1 What is a Voucher? Describe its utility in the accounting process.

Q2: What are closing entries? Why are they necessary before preparing the final accounts?

Q3: What is Goodwill? Name and briefly explain any two methods of valuing goodwill.

Q4: A is entitled to a commission of 4% on net profits after charging such commission. The net profit for the year ended 31st March 2024, before any of the above adjustments, was ₹3,00,000. Prepare the Profit and Loss Appropriation Account.

Q5: P, Q, and R, are partners sharing profits in the ratio of 4:3:2. Q retires. P and R decide to share future profits equally. The Balance Sheet on the date of retirement shows a General Reserve of ₹1,35,000. Pass the journal entry for the treatment of General Reserve. Also, calculate the Gaining Ratio.

Q6: List any five common adjustments that are made while preparing the Final Statements and state their treatment.

Q7: From the following transactions, prepare the Machinery Account in the Ledger for the year 2023: Jan 01: Purchased Machinery for ₹ 2,00,000. July 01: Purchased additional Machinery for ₹ 1,00,000. Oct 01: Sold Machinery (purchased on Jan 01) for ₹ 80,000. (The firm charges depreciation @ 10% p.a. on the Straight-Line Method).

Q8: What are the key aspects of Human Resource Accounting?

Q9: X, Y, and Z are partners sharing profits in the ratio of 5:3:2. Y retires. X and Z decide to share future profits equally. Calculate the Sacrificing Ratio

Section B-Long Answer (3 x 12 = 36)

Instructions for Section B: Attempt any Three Questions. All questions carry equal marks

Q1: Differentiate between Accounting Concepts and Accounting Conventions.

Q2: Prepare a Double Column Cash Book (with Cash and Bank columns) from the following transactions of M/s Sun Traders for January 2024: Jan 1: Cash in hand ₹25,000; Bank overdraft ₹8,000. Jan 3: Received a cheque from Amit ₹10,000 and allowed him a discount of ₹200. Jan 8: Paid rent by cheque ₹5,000. Jan 12: Deposited cash into bank ₹9,000. Jan 18: Paid salaries in cash ₹12,000. Jan 25: Received cash from Raj ₹9,800 in full settlement of his debt of ₹10,000.

Q3: Discuss Admission to Partner with the help of formats?

Q4: Journalize the following entry in the books of Mr. Nirmal, who has the following transactions in the month of April, 2025

10th April	:	Commenced business with a capital of 1,00,000
11th April	:	Purchased goods from Veeru for 20,000
13th April	:	Purchased Goods for Cash 15,000
14th April	:	Purchased Goods from Abhiram for cash 9,000
16th April	:	Bought Goods from Shyam on credit 12,000
17th April	:	Sold goods worth 15,000 to Tarun
19th April	:	Sold goods for cash 20,000
20th April	:	Sold goods to Utsav for cash 6,000
21st April	:	Sold goods to Pranav on credit 17,000
22nd April	:	Returned goods to Veeru 3,000
23rd April	:	Goods returned from Tarun 1,000
25th April	:	Goods taken by the proprietor for personal use 1,000
26th April	:	Bought Land for 50,000
27th April	:	Purchased machinery for cash 45,000
28th April	:	Bought computer from Intel Computers for 25,000
28th April	:	Cash sales 15,000
29th April	:	Cash purchases 22,000
30th April	:	Bought furniture for proprietor's residence and paid cash 10,000

Q5. On January 01, 2015, Khosla Transport Co. purchased five trucks for ` 20,000 each. Depreciation has been provided at the rate of 10% p.a. using the straight line method and accumulated in the provision for depreciation account. On January 01, 2016, one truck was sold for ` 15,000. On July 01, 2017, another truck (purchased for ` 20,000 on Jan, 01, 2014) was sold for ` 18,000. A new truck costing ` 30,000 was purchased on October 01, 2016. You are required to prepare trucks account, Provision for depreciation account and Truck disposal account for the years ended on December 2015, 2016 and 2017, assuming that the firm closes its accounts in December every year.

Q6. Discuss the Executor Account and also explain the distinction between the '**settlement of account**' and the '**mode of payment**' to the legal representative of a deceased partner. How do specific clauses in the Partnership Deed influence this process?