

**BACHELOR OF COMMERCE
FIRST SEMESTER [REPEAT]
FINANCIAL ACCOUNTING
BCM – 101**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The first IFRS was published in.....
 - a. July 2003
 - b. June 2003
 - c. June 2002
 - d. July 2002
2. Which organisation is responsible for issuing International Financial Reporting Standards?
 - a. FASB
 - b. IASB
 - c. SEC
 - d. GAAP
3. The system of recording transactions based on dual aspect concept is called-
 - a. Double Entry System
 - b. Single Entry System
 - c. Double Account System
 - d. Accrual Basis of Accounting
4. Which of the following is not a key element of a theoretical framework in financial accounting?
 - a. Depreciation Methods
 - b. Charts of Accounts
 - c. Employee Training programs
 - d. Financial Ratios
5. Which accounting rule serves as the primary basis for the lower of cost or market methodology for inventory valuation?
 - a. Conservatism
 - b. Consistency
 - c. Optimism
 - d. Pessimism
6. Which inventory valuation method assumes that all items are interchangeable and of equal value?
 - a. Specific identification
 - b. First in - First out
 - c. Last in - First out
 - d. Weighted average
7. What is the primary purpose of measuring business income in financial accounting?
 - a. To calculate the market value of the business
 - b. To determine the company's tax liability
 - c. To assess the profitability of the business
 - d. To track the Company's share price
8. ABC Analysis is a :-
 - a. System of Financial Planning
 - b. Technique of Profit Planning
 - c. Technique of Inventory Control
 - d. Technique of Sales Planning

9. Closing Stock is recorded in the :-
 - a. Profit and Loss Account
 - b. Trading Account and Balance Sheet
 - c. Balance Sheet only
 - d. None of the above
10. Stock in trade is a:-
 - a. Current assets
 - b. Fictitious assets
 - c. Fixed assets
 - d. Non- fictitious assets
11. Which of the following are Indirect expenses?
 - a. Salary Expense
 - b. Insurance Expense
 - c. Rent Paid
 - d. All of the above
12. The credit side of a Profit and Loss account records: -
 - a. Direct Expenses
 - b. Direct Income
 - c. Indirect expenses
 - d. Indirect Income
13. In Hire Purchase system, Hire purchase price comes under section: -
 - a. Sec 2(d)
 - b. Sec 3 (c)
 - c. Sec 4(a)
 - d. Sec 5(f)
14. In Hire Purchase, the maximum statutory charge should not exceed.....of the instalment.
 - a. 20%
 - b. 30%
 - c. 40%
 - d. 50%
15. In Hire Hire Purchase System, Net Hire Purchase charges comes under section: -
 - a. Sec 8 (1) (d)
 - b. Sec 8 (1) (e)
 - c. Sec 8 (1) (f)
 - d. Sec 8 (1) (g)
16. Hire purchase price minus cash price is equal to: -
 - a. Down Payment
 - b. Share
 - c. Total Interest
 - d. None of the above
17. When goods are invoiced to branch at invoice price, the value of goods is adjusted by:-
 - a. Debiting goods sent to branch account
 - b. Debiting branch adjustment account
 - c. Debiting stock reserve accounts
 - d. Debiting branch account
18. In case of a dependent branch 'Branch Fixed Assets A/C's 'are maintained by:-
 - a. Branch
 - b. Head Office
 - c. Department
 - d. Joint- Venture
19. Branch account prepared under synthetic system is in the nature of..... Account.
 - a. Asset
 - b. Liability
 - c. Revenue
 - d. Accrual
20. Goods supplied from Head Office less good received from Head Office represents: -
 - a. Goods returned to Head Office
 - b. Goods in transit
 - c. Cash in transit
 - d. Profit on goods

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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. From the following Trial Balance prepare a Trading, Profit and Loss and Balance Sheet as on 31st Dec. 2022. 10

Particulars	Debit Amount Rs.	Credit Amount Rs.
Sundry Creditors	-	1,00,000
Capital	-	5,50,000
Machinery	2,70,000	-
Goodwill	52,000	-
Debtors	1,40,000	-
Investment	1,80,000	-
Account Payable	-	1,00,000
Return Inwards	5,000	-
Sales	-	6,52,000
Return Outwards	-	10,000
Purchase	4,10,000	-
Railway carriage on purchase	40,000	-
Opening Stock	60,000	-
commission	-	5,000
Wages	20,000	-
Rent	51,000	-
Power and Fuel	3,000	-
Bad Debts	10,000	-
Bad Debts Recovered	-	7,000
Apprenticeship premium	-	6,000
Bank overdraft	-	51,000
Cash in hand	30,000	-
Cash at Bank	1,40,000	-
Salary	60,000	-
Interest on investment	-	10,000
General Expenses	20,000	-
TOTAL	14,91,000	14,91,000

Additional Information:

- Closing Stock was valued Rs. 20,000
 - Outstanding wages Rs. 1000.
 - Prepaid rent Rs. 500.
 - Provide depreciation on machinery @20% p.a.
2. What is IFRS? Mention the needs for adopting IFRS. Discuss the procedure for issue of IFRS. 2+4+4=10
3. Define Income. What are the objectives of computation of Net Income? Describe the process of Computation of Business Income. 2+4+4=10
4. Following are the details of stores receipts and issues of material of an organisation: Prepare a stores ledger using the FIFO method. 10
- 2023
- March 1 Opening stock materials 4,400 units @ Rs. 8 per unit

March 5	Purchased 550 units @ Rs. 10 per unit
March 8	Issued 2,200 units
March 10	Purchased 6,600 units @ Rs. 12 per unit
March 16	Issued 4,400 units
March 20	Issued 1,100 units
March 23	Issued 2,200 units
March 27	Purchased 4,950 units @ 11 per unit
March 31	Issued 3,300 units

5. On 1st January, 2020, Assam Oil Company Ltd. purchased an Oil Machine on Installment system from Archana Machinery Company. The cash price of the machine was Rs. 11,175 and payment was to be made as follows: Rs. 3000 on signing the agreement and the balance in three equal installments of Rs. 3,000 each at the end of each year. 5% interest is to be charged by Archana Machinery Company per annum. Assam Oil Company has decided to write off 10% annually on diminishing balance of the cash price. Books are closed on 31st December each year. Give the Journal Entries in the books of Assam Oil Company. Calculations are to be made to the nearest rupee.

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6. The Kamrup Industries Ltd., Guwahati opened a branch at Chennai on 1.4.2021. From the following details, prepare Chennai Branch Account for the year 2021-22 and 2022-23 to ascertain profit or loss of the branch in the books of Head Office under synthetic system.

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Particulars	2021-22	2022-23
Goods sent to Chennai branch	215000	645000
Expenses paid by H.O.		
Rent	31800	31800
Salaries and wages	33000	45000
Sundry expenses	11200	21600
Cash received from the branch	324000	860000
Closing stock	32300	65800
Closing petty cash in hand	140	230
Outstanding salary on 31 st March	200	900
Goods returned to H.O.	-	35000
Normal loss of goods	1200	-
Loss by theft	-	3000

The Insurance Company admitted a claim for Rs. 2700 against the loss of goods by theft.

7. Alpine Traders purchased a machine on April 1, 2019 at a cost of Rs. 8,000 and Spent Rs. 2000 on its installation. The firm writes off depreciation @ 10% p.a. by written down value method. The scrap value of the Plant at the end of its economic life of 4 years is expected to be Rs. 6561. Show the Machine Account for 4 years in the books of Alpine Traders. The books are closed on 31st March every year.
8. Write down the accounting entries that are passed in the books of the Head Office for recording different branch transactions.

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