

COMMERCE

COURSE - ACNHC 1
(Financial Accounting)

Time : 2 Hours

Full Marks : 50

Group – A

Answer any two questions -

$15 \times 2 = 30$

1. Bimal purchased a Scooter on Hire-Purchase from TVS Motors for Rs. 56,000 payment to be made, Rs. 15,000 down cash and 3 installments of Rs. 15,000 each at the end of year. Rate of interest is charged at 5% p.a. Buyer depreciated asset at 10% p.a. on written down value method.

Because of financial difficulties Bimal after having paid the down cash and first installment at the end of the first year could not pay the second installment and TVS Motors possession of the scooter, made some repair expenses of Rs. 150 and sold it for Rs. 30,110.

Prepare (a) The Scooter Account and the seller's account in the books of the Bimal and (b) the purchaser's account and goods on hire-purchase returned account in the books of TVS Motors.

2. Asha draws a bill for Rs. 2,000 on Usha who duly accepts the same. Asha endorses the bill to Lisa who passes it to Anisha. The latter discounts the bill with the bank for Rs. 1,960. On the due date the bill is dishonored and noting charges incurred by the bank amounted to Rs. 50.

Show the journal entries in the books of different parties.

3. Who are the users of Accounting Information? Why do they need such information? What are the objectives of Accounting?
4. What do you mean by accounting? What are its objectives? Discuss whether accounting is art or science.

Group - B

5. Answer any two questions -

(a) P, Q and R were partners sharing profit and losses equally. They decided to dissolve their firm on 31.12.21 when their balance sheet stood as follows:

Liabilities	Rs.	Assets	Rs.
Capitals:		Machinery	40,000
P 28,000		Stock	15,000
Q 21,000			
R <u>5,000</u>	54,000	Debtors	11,000
Sundry Creditors	16,000	Cash at Bank	4,000
	70,000		70,000

The Machinery Was sold for Rs. 28,000 and the stock realized only 1/3rd of its book value. All the book debts proved bad. The creditors allowed discount Rs. 500. The expenses of realization amounted to Rs. 3,500. Close the books of the firm.

- (b) Distinguish between "Accounting concepts" and "Accounting Conventions".
- (c) What are the rules of "Garner v/s Murray"?
- (d) What is the main features Branch business?

Group – C

6. Answer any five questions -

2x5=10

- (a) What is Balance sheet? Is it an account?
- (b) What do you mean by Maturity date?
- (c) Distinguish between Gross profit and Net profit.
- (d) What is contingent liability? Give examples.
- (e) Define Capital expenditure.
- (f) Distinguish between hire purchase sale and ordinary sale.
- (g) What is noting Charge?
- (h) Distinguish between hire purchase sale and ordinary sale.