**2 0 1 7**

( 2nd Semester )

**COMMERCE**

Paper No. : BC–204

**( Financial Accounting—II )**

( PART : A—OBJECTIVE )

( *Marks* : 25 )

*The figures in the margin indicate full marks for the questions*

Answer **all** questions

SECTION—I

( *Marks* : 15 )

1. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

   (a) The concept of accounting income does not strictly follow the convention of Accounting.

   ( T / F )

   (b) Rebate on bills discounted for a Banking Company is an income.

   ( T / F )

*(c)* A person who is unable to pay his debts is an insolvent.

*( T / F )*

*(d)* A self-balancing ledger is one whose balances, when extracted, do not form a complete Trial Balance.

*( T / F )*

*(e)* Insurance Company final accounts must also include a Cash Flow Statement.

*( T / F )*

**2.** Fill in the blanks :                                    1×5=5

*(a)* Roots of the Accounting Theory stem from Decision Theory, Measurement Theory and ........................................... .

*(b)* The system of Sectional Balancing is a variance of the ................................. system.

*(c)* Profit of life insurance company represents

............................................... .

*(d)* Income increases the ................................. of business.

*(e)* A ..................................... Company cannot grant loan to any of its directors.

3. Match the items in *List—A* with items in *List—B* by placing the codes of *List—B* in the brackets provided :

1×5=5

| *List—A* | | *List—B* |
|---|---|---|
| *(a)* Surrender Value | ( ) | *(i)* Insolvency A/c |
| *(b)* Slip System | ( ) | *(ii)* Balance Sheet Valuation |
| *(c)* List H | ( ) | |
| | | *(iii)* Self-balancing Ledger |
| *(d)* Sales Ledger | ( ) | *(iv)* Users |
| *(e)* Accounting Information System | ( ) | *(v)* Banking Company |
| | | *(vi)* Insurance Company |
| | | *(vii)* Departmental A/c |

SECTION—II

( *Marks* : 10 )

4. Write short notes on the following in about *4* or *5* sentences each :　　　　　　　　　　　2×5=10

(a) Accounting Theory

*(b)* Rebate on Bills Discounted

*(c)* Financial Information System

*(d)* Sectional Balancing Ledger

*(e)* Statutory Reserve

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