#### 2018

(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) Accounting theory has followed practice rather than preceded practice.

(T/F)

(b) Preferential creditors are shown under list E.

(T/F)

(c)	Under the stock and debtors system, Branch Stock Account is a Nominal Account.
	( T / F)
(d)	A banking company cannot grant loan to any of its directors.
: : : : : : : : : : : : : : : : : : :	(T/F)
(e)	Life assurance fund represents profits of the life insurance company.
	( T / F)
<b>2.</b> Fil	in the blanks: 1×5=5
(a)	Each and every banking company incorporated in India will prepare its final accounts
d	on date
(b)	Creditors' ledger is called
(c)	Life insurance is more appropriate to be
	called
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(a)								the	
	•••••	·····	•••••	••••••	by ea	ıch dej	partm	ent.	
(e)	The	unsecure	d cre	ditors h	aving	g a pr	ior cl	aim	
e e			are c	alled	•••••		••••••	•••••	
				er and	place	its co	de in		_ C*
				ounted i	s			1×2	D
1-7					•				
	1		5	iic					
	(11)	a hability	•						
	(iii)	income re	eceive	d in ad	vance				
	(iv)	income or	utstan	ding				]	
(b) Every banking company is required to transfer to statutory reserve									
	(i)	10% of ne	et prof	īts					
	(ii)	15% of n	et pro	ofits					
	(iii)	25% of n	et pro	ofits					
	(iv)	30% of ne	et prof	īts		2		]	Σ.
	(e) Cho brac (a)	the   (e) The  over cred  Choose brackets  (a) Reb  (i)  (ii)  (iii)  (iii)  (iv)  (b) Ever stat  (i)  (ii)  (iii)  (iii)  (iv)  (b) (iii)	the different  (e) The unsecure over the others creditors.  Choose the correct brackets provided  (a) Rebate on bills  (i) an item of (ii) a liability  (iii) income reflection (iv) income of (iv) incom	the different deparation (e) The unsecured creditors.  Choose the correct answer brackets provided:  (a) Rebate on bills disconsisted (ii) an item of incomparation (iii) a liability  (iii) income received (iv) income outstant (b) Every banking comparatutory reserve  (i) 10% of net proficial 25% of net	the different departments  (e) The unsecured creditors have a called	the different departments accommon by each over the others are called	the different departments according  by each departments by each departments by each departments by each department by each dep	the different departments according to  by each departments are departments according to the content of the others are called to the creditors.  Choose the correct answer and place its code in the brackets provided:  (a) Rebate on bills discounted is  (i) an item of income  (ii) a liability  (iii) income received in advance  (iv) income outstanding  (b) Every banking company is required to transfer statutory reserve  (i) 10% of net profits  (ii) 15% of net profits	the different departments according to the

(c)	A Valuation Balance Sheet is prepared by a/an				
	(i)	trading company	22		
•	(ii)	banking company			
<b>10</b>	(iii)	life insurance company			
	(iv)	electricity company		]	
(d)		ler the sectional balancing system, the is usually made self-balancing, is	A CONTRACTOR OF THE CONTRACTOR	er	
	(i)	general ledger			
	(ii)	purchase ledger			
	(iii)	sales ledger			
	(iv)	None of the above		]	
(e)	Solo	l Ledger Adjustment Account is ope	ned in		
	(i)	sold ledger			
i i	(ii)	bought ledger			
	(iii)	general ledger	r		
	(iv)	None of the above	[	]	

## SECTION—II

( Marks: 10 )

- **4.** Write notes on the following in about 4 or 5 sentences each:  $2 \times 5 = 10$ 
  - (a) Need for accounting theory

(b) Deficiency Account

(c) Valuation Balance Sheet

(d) Branch Account

(e). Money at call and short notice

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