

FA-2/BC-204

2 0 2 1

(2nd Semester)

COMMERCE

Paper : BC-204

(Financial Accounting—II)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 15)

1. State whether the following statements are True or False : 1×5=5
- (a) Roots of accounting theory stem from decision theory, measurement theory and information theory.
 - (b) Fully secured creditors are shown under List B.
 - (c) Under the stock and debtors system, Branch Stock Account is a nominal account.
 - (d) Annuity is an income.
 - (e) Self-balancing and sectional balancing are synonymous terms.

(2)

2. Choose and write the correct answer from the options provided : 1×10=10

(a) Book debts are shown under

(i) List A

(ii) List B

(iii) List D

(iv) List F

(b) Amount due to Government or local authority is a/an

(i) secured claim

(ii) unsecured claim

(iii) preferential claim

(iv) None of the above

(c) Branch Stock Account is always prepared at

(i) cost price

(ii) selling price

(iii) both cost price and selling price

(iv) None of the above

- (d) Selling expenses should be divided among the different departments on the basis of
- (i) unrealised profit
 - (ii) profit
 - (iii) sales
 - (iv) space occupied
- (e) Which approach lays emphasis on the concepts of justice and fairness?
- (i) Ethical approach
 - (ii) Pragmatic approach
 - (iii) Inductive approach
 - (iv) Deductive approach
- (f) The Balance Sheet of a banking company contains
- (i) 10 Schedules
 - (ii) 12 Schedules
 - (iii) 14 Schedules
 - (iv) 16 Schedules

- (g) Rebate on bills discounted is
- (i) an item of income
 - (ii) a liability
 - (iii) income received in advance
 - (iv) income outstanding
- (h) Policy maturing only on death of the insured is termed as
- (i) endowment policy
 - (ii) whole life policy
 - (iii) with profit policy
 - (iv) None of the above
- (i) Legal expenses in respect of claims is shown in
- (i) Revenue A/c
 - (ii) Profit & Loss A/c
 - (iii) Profit & Loss Appropriation A/c
 - (iv) None of the above
- (j) General Ledger Adjustment Account is opened in
- (i) sales ledger
 - (ii) purchases ledger
 - (iii) both sales ledger and purchases ledger
 - (iv) general ledger

(5)

SECTION—II

(Marks : 10)

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

- (a) Users of accounting information
- (b) Deficiency Account
- (c) Branch Adjustment Account
- (d) Slip system of posting
- (e) Statutory reserve of banking companies
