

2021

(1st Semester)

COMMERCE

Paper No. : BC-104

(Financial Accounting—I)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

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

(a) Reliability is one of the characteristics of accounting information.

(T / F)

(b) Income increases due to decrease in unit cost price.

(T / F)

(c) Under hire-purchase agreement, the title in the goods passes immediately after the down payment.

(T / F)

(2)

(d) The excess of minimum rent over actual royalty is known as shortworking.

(T / F)

(e) If the partnership deed is silent, partners share profits and losses in proportion to their capital.

(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

(a) The full form of GAAP is

- (i) Generally Accepted Accounting Practices
- (ii) Generally Accepted Accounting Principles
- (iii) Generally Acquired Accounting Practices
- (iv) Generally Accepted Accounting Programs

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(b) Provide for all future losses and ignore future profits is based on which convention?

- (i) Convention of full disclosure
- (ii) Convention of consistency
- (iii) Convention of conservation
- (iv) Convention of materiality

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(3)

(c) The Hire-purchase Act was introduced in

- (i) 1982
- (ii) 1992
- (iii) 1972
- (iv) 1952

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(d) Computation of business income is done with the help of

- (i) Profit & Loss approach
- (ii) Transaction approach
- (iii) Balance Sheet approach
- (iv) Both (ii) and (iii)

[]

(e) Gross Profit ratio is the ratio of gross profit to

- (i) net sales
- (ii) cost
- (iii) closing stock
- (iv) direct expenses

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(f) What is calculated on the cash price at the given rate?

- (i) Installment
- (ii) Interest
- (iii) Profit
- (iv) Purchase price

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(4)

- (g) Royalty Account is in the nature of
- (i) Real Account
 - (ii) Nominal Account
 - (iii) Personal Account
 - (iv) None of the above
- []
- (h) Shortworking which cannot be recouped is transferred to
- (i) Trading Account
 - (ii) Profit & Loss Account
 - (iii) Royalty Account
 - (iv) Minimum Rent Account
- []
- (i) What is the partnership written agreement known as?
- (i) Partnership Contract
 - (ii) Agreement
 - (iii) Partnership Deed
 - (iv) Partnership Act
- []
- (j) On the admission of a new partner
- (i) old firm is dissolved
 - (ii) old partnership is dissolved
 - (iii) both old partnership and old firm are dissolved
 - (iv) neither partnership nor firm is dissolved
- []

(5)

3. Write short notes on the following :

2×5=10

(a) Business Entity Concept

(6)

(b) Intangible Assets

(7)

(c) Partial Repossession

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(8)

(d) Shortworking

(9)

(e) Revaluation Account