

**2025**

**( FYUGP )**

**( 1st Semester )**

**COMMERCE**

**( MAJOR )**

**Paper Code : BC/C1**

**( Financial Accounting )**

Full Marks : 75

Pass Marks : 40%

**Time : 3 hours**

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

1. (a) Discuss in detail accounting concepts and conventions. 15

*Or*

- (b) Discuss the uses of qualitative accounting information. Who are the users of financial accounting information? Discuss. 5+10=15

2. (a) Write in brief the need for Consignment Accounting. Distinguish between Consignment and Sales. 5+10=15



Or

- (b) From the following information, prepare Machinery A/c for the year ending 31st March, 2024 :

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01.04.2021	Purchased a second-hand Machinery I for ₹ 80,000
"	Spent ₹ 20,000 on its repairs to make it serviceable
01.10.2021	Purchased a new Machinery II for ₹ 2,00,000
01.04.2022	Spent ₹ 2,000 on repair of Machinery II
30.06.2023	Sold Machinery I for ₹ 45,000
30.09.2023	Purchased a new Machinery III for ₹ 3,00,000

Rate of depreciation @ 20% p.a. on straight-line at every 31st March.

3. (a) On 01.01.2021, Mr. Tom bought a machine from James & Co. on hire-purchase system and details are given as under :

- (i) Cash price of machine—₹ 35,775
- (ii) Down payment made—₹ 10,000
- (iii) Balance amount in three equal instalments of ₹ 10,000 at the end of subsequent year i.e., 31st December



(iv) Interest to be charged @ 8%

(v) Depreciation to be provided @ 10%  
on straight-line method

Prepare Journal Entries in the books of  
hire-purchaser and vendor.  $3+6+6=15$

Or

(b) Discuss the features of hire purchase.  
What are the rights of the Hire Buyer in  
hire-purchase system?  $10+5=15$

4. (a) Explain the features, advantages and  
limitations of Branch Accounting.  $4+6+5=15$

Or

(b) Prepare Branch A/c in the books of  
Head Office for the year ended  
31st December, 2024. All expenses are  
paid by the Head Office. Goods are  
invoiced by Head Office at 20% above  
the cost : 15

	₹
Stock on 31.12.2024	90,000
Stock on 01.01.2024	60,000
Debtors on 01.01.2024	40,000
Debtors on 31.12.2024	60,000
Credit Sales	1,80,000
Cash Sales remitted to HO	1,50,000



	₹
Cash collected from Debtors and remitted to HO	1,60,000
Goods invoiced to Branch	3,60,000
Rent	3,000
Salary	6,000
Goods returned to HO	6,000
Petty Cash on 01.01.2024	100
Petty Cash on 31.12.2024	50
Sales of Bags	200

5. (a) What do you mean by dissolution of a firm? Distinguish between Revaluation A/c and Realization A/c. 3+12=15

Or

- (b) The following was the Balance Sheet of A and B firm as on 31st March, 2025 and their profit-sharing ratio was 3 : 2 :

*Balance Sheet*  
as at 31.03.2025

Liabilities	₹	Assets	₹
Trade Creditors	28,000	Bank	11,500
Employees' PF	10,000	Stock	6,000
Mrs. A's Loan	10,000	Debtors	19,000
B's Loan	15,000	Furniture	4,000
Workmen Compensation Reserve	6,000	Plant	28,000
Capitals :		Investment	11,000
A	10,000	Profit & Loss A/c	7,500
B	8,000		
	<u>87,000</u>		<u>87,000</u>



The firm was dissolved on 31.03.2025 on the following terms :

- (i) A agreed to take the investment at ₹ 8,000 and to pay off Mrs A's loan
- (ii) Other assets were realized as follows :

	₹
Stock	5,000
Debtors	18,500
Furniture	4,500
Plant	25,000

- (iii) Expenses on realization was ₹ 1,600

- (iv) Trade creditors agreed to accept ₹ 27,000 only

Prepare Realization A/c, Capital A/c and Bank A/c.

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