



‘समानो मन्त्रः समितिः समानी’

**UNIVERSITY OF NORTH BENGAL**  
BBA Honours 2nd Semester Examination, 2022

**CC4-BBA (203)**

**FINANCIAL ACCOUNTING FOR MANAGERS**

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.  
All symbols are of usual significance.*

**GROUP-A**

**Answer any two questions from the following**

12×2 = 24

1. From the following Trial Balance of Mr. Sen, you are required to prepare Final Account for the year ended 31st March, 2022 after taking the necessary adjustments: 12

Dr.		Cr.	
Particulars	₹	Particulars	₹
Debtors	70,000	Return Outward	3,000
Land & Building	1,49,000	Sales	4,98,000
Machinery	36,000	Provision for Doubtful Debts	10,000
Depreciation on Machinery	4,000	HDFC Bank	7,600
Machinery repairing	5,200	Creditors	62,520
Wages	54,000	Capital	1,00,000
Salaries	21,000	Salaries Outstanding	4,000
Personal Income tax	1,000	Bills Payable	16,000
Depreciation on Building	5,000	Discount on Purchase	7,080
Purchase	2,50,000		
Accrued Income	3,000		
Bills Receivable	30,000		
Bad debt	2,000		
Cash in hand	4,000		
Stock on 1.04.2021	74,000		
	<b>7,08,200</b>		<b>7,08,200</b>

**Adjustments:**

- Stock as on 31.03.2022 was valued at ₹60,000.
- Write off further ₹6,000 as bad debt and maintain a provision of 5% on doubtful debt.
- ₹2,400 was paid as rent for office; mistakenly the same was debited to debtors' accounts.
- General manager is to be given a commission of 10% of net profits after charging his commission.

2. Hindustan Industries Limited, Kolkata has a branch in Siliguri to which office goods are invoiced at cost plus 25%. The branch sells both for cash and on credit. 12

Branch Expenses are paid direct from Head Office, and the Branch has to remit all cash received to the Head Office. From the following details prepare the accounts in the Head Office Ledger and ascertain the Branch Profit. The branch does not maintain any books of account, but sends weekly returns to the Head Office:

	₹
Goods Received from H.O. at Invoice Price	60,000
Returns to H.O. at Invoice Price	12,000
Stock at Siliguri as on 1st Jan. 2021	60,000
Cash Sales	2,00,000
Credit Sales	3,60,000
Debtors at Siliguri on 1st Jan. 2021	72,000
Cash received from Debtors	3,20,000
Discount allowed to Debtors	6,000
Bad Debts in the year	4,000
Sales Returns at Siliguri Branch	8,000
Salaries, Wages, Bonus at Branch	60,000
Office Expenses	6,000
Stock at Siliguri as on 31st Dec. 2021	1,20,000

Prepare Branch Accounts in the books of Head Office by Stock and Debtors Method.

3. A, B, C and D are partners in a firm sharing profits and losses in the ratio 4:1:2:3. The following their balance sheet as on 31st March 2021:

12

Liabilities	₹	Assets	₹
Capital:		Capital:	
A	6,20,000	B	2,20,000
D	2,40,000	C	1,90,000
General Reserve	2,50,000	Cash	1,30,000
Bank Loan	60,000	Debtors	3,00,000
Creditors	3,00,000	Stock	2,00,000
		Investment	70,000
		Machinery	3,10,000
		Preliminary Expenses	50,000
	<b>14,70,000</b>		<b>14,70,000</b>

On 31st March 2021, the firm is dissolved and the following points are agreed upon:

- (i) Partner A is to take over 40% of Debtors at 80% of Book value.
- (ii) Partner D is to take over the Stocks at 95% of the value.
- (iii) Partner C is to discharge the Sundry Creditors.
- (iv) Bank to take the Investments in full settlement of their loan.
- (v) Fixed Assets and balance of Debtors realized ₹3,00,000 and ₹1,78,000 respectively. Expenses of realization amounted to ₹30,000, Partner B is declared insolvent and ₹22,000 is realized from his estate.

Prepare Realization Account, Partners Capital Account and Cash Account in the books of the firm.

4. Blue Star Company purchased two Machines of ₹52,500 each from Green Star Company on 1st April 2019 on Hire Purchases System. As per hire purchase agreement the payment to be made as, ₹30,000 cash down and balance will be paid three equal annual instalments along with interest @15% p.a. Hire purchaser charges depreciation on machines @10% p.a. underwritten down value method. Due to some financial crisis the purchaser could not pay the second instalment and the seller took possession one of the machine's adjusting the value of other machine against the amount due. The seller charges depreciation @ 20% p.a. on diminishing balance method. Seller spending ₹1,000 on repairs the machine and sold the machine at ₹32,700.  
Show Machine Account and Green Star Account in the books of Blue Star and Blue Star Account and Repossessed Goods Account in the books of Green Star.

**GROUP-B**

5. Answer any *four* questions: 6×4 = 24
- (a) Who are the users of accounting information? Why do they need such information? 3+3
- (b) Distinguish between Hire Purchases System and Instalment Payment System. 6
- (c) What is the rule of Garner Vs Murray? In what situation would it apply? Does it apply to the firm constituted under the Indian Partnership Act? 2+2+2
- (d) What are the limitations of Financial Accounting? How can those limitations be overcome? 3+3
- (e) Define deferred revenue expenditure. Distinguish between capital expenditure and revenue expenditure. 2+4
- (f) From the following information calculate opening stock: 6

Purchases during the year	₹55,000
Sales during the year	₹1,25,000
Closing stock	₹18,000
Manufacturing Expenses	₹12,000
Carriage Inward	₹2,000
Carriage Outward	₹1,000
Rate of gross profit was 25% on Cost.	

**GROUP-C**

6. Answer any *four* questions: 3×4 = 12
- (a) What are elements of financial statement? 3
- (b) Explain the nature of different kinds of accounts. 3
- (c) State the nature of hire purchase agreement. 3
- (d) What type of errors are not detected by Trial Balance? 3
- (e) Distinguish between transaction and event. 3
- (f) Explain Contingent Liability with two examples. 3

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