

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: B.COM
BRANCH: MANAGEMENT STUDIES**

SUBJECT: BF25103 FINANCIAL ACCOUNTING

**SEMESTER : I
SESSION : MO/2025**

TIME: 3 Hours

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
2. Attempt all questions.
3. The missing data, if any, may be assumed suitably.
4. Before attempting the question paper, be sure that you have got the correct question paper.
5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.

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|---|-----------------|-----------------|---------------|-------|-----------------|--------|--------------------|------|----------------------|--------|------------|--------|--------------|--------|-----------|------|-----------------------------|-----|--------------------|-------|-----------|-------|-----------------|------|---------------|-------|-----------------|-------|--------------------|------|--|--|
| Q.1(a) Discuss Accrual concept and Materiality concept with examples of each. | [5] | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.1(b) Journalize the following transactions | [5] | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Started business with cash by T 15000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Bought goods for cash 1000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Bought goods from A 3000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Sold to B 4000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Received from B cash in full settlement 3880 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.2(a) What are the components of a partnership deed ? | [5] | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.2(b) What is the treatment of interest on capital and profit sharing ratio when partnership deed does not exist? | [5] | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.3(a) Give the format for Income and Expenditure account with hypothetical figures. | [5] | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.3(b) What amount of subscription will be shown in Income and Expenditure account if you are give the following information | [5] | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Subscription received during the year 500000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Outstanding subscription in the beginning of the accounting period 150000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Subscription received in advance at the beginning of accounting period 200000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Outstanding subscription at the end of the accounting period 75000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Subscription received in advance at the end of the accounting period for future time period 300000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.4(a) The Impressions company at Noida invoiced goods at invoice price which is 20 percent above the cash price to its branch at Gwalior. Head office paid all branch expenses. Cash collected by branch was sent to head office . Following transactions took place during the year ending 31st Dec 2025. | [7] | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Transactions</th> <th style="width: 50%;">Amount(Rupees)</th> </tr> </thead> <tbody> <tr><td>Opening stock</td><td>70000</td></tr> <tr><td>Opening debtors</td><td>126000</td></tr> <tr><td>Petty cash opening</td><td>2000</td></tr> <tr><td>Goods sent to branch</td><td>260000</td></tr> <tr><td>Cash sales</td><td>175000</td></tr> <tr><td>Credit sales</td><td>284000</td></tr> <tr><td>Bad debts</td><td>6000</td></tr> <tr><td>Goods returned by customers</td><td>500</td></tr> <tr><td>Salaries and Wages</td><td>62000</td></tr> <tr><td>Rent paid</td><td>12000</td></tr> <tr><td>Sundry expenses</td><td>8000</td></tr> <tr><td>Closing stock</td><td>65000</td></tr> <tr><td>Closing Debtors</td><td>98000</td></tr> <tr><td>Closing petty cash</td><td>1000</td></tr> </tbody> </table> | Transactions | Amount(Rupees) | Opening stock | 70000 | Opening debtors | 126000 | Petty cash opening | 2000 | Goods sent to branch | 260000 | Cash sales | 175000 | Credit sales | 284000 | Bad debts | 6000 | Goods returned by customers | 500 | Salaries and Wages | 62000 | Rent paid | 12000 | Sundry expenses | 8000 | Closing stock | 65000 | Closing Debtors | 98000 | Closing petty cash | 1000 | | |
| Transactions | Amount(Rupees) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening stock | 70000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening debtors | 126000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Petty cash opening | 2000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods sent to branch | 260000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash sales | 175000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Credit sales | 284000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bad debts | 6000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods returned by customers | 500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries and Wages | 62000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent paid | 12000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sundry expenses | 8000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing stock | 65000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing Debtors | 98000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing petty cash | 1000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepare Gwalior Branch Account and Memorandum Debtors Account as per Debtors system. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q.4(b) What is the difference between finance lease and operating lease ? Discuss major differences in brief. | [3] | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

- Q.5(a) Give journal entries in the books of Lessee if a machine is taken on lease having a value of Rs. 10,00,000 for a period of 3 years, the interest is 20 percent and lease amount is Rs 4,00,000 per annum. There is no Guaranteed residual value. The economic life ends after 3 years consuming fully the asset over its lease period. Charge depreciation accordingly. [5] 5
- Q.5(b) What is the difference between provision and reserves with accounting treatment using examples. [5] 3

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