

END TERM EXAMINATION

FIRST SEMESTER

[B.COM. (HONS.)] NOVEMBER-DECEMBER-2017

Paper Code: BCOM 103

Time : 3 Hours

Subject: Financial Accounting

Maximum Marks : 75

Note: Attempt any five questions. All questions carry equal marks.

Q1. What is accounting? What are its various branches? How does financial accounting provides information for management accounting? Also make a distinction between these two forms of accounting.

Q2. What do you understand by Accounting Standards? What purpose do these standards serve? How does these standards help in bringing transparency and uniformity in accounting?

Q3. What is a trial balance? Why is it prepared? Discuss the methods of preparation of trial balance.

Q4. A company carried forward balance of Rs. 50,000 in the Profit and Loss Appropriation A/c from the year ended 31st March, 2010. During the year 2010-2011, it made a further profit of Rs. 5,00,000. It was decided that following decisions be carried out:

- a) Provision for taxation Rs. 2,20,000; b) Dividend equalization account Rs. 60,000 ; c) Dividend on 12% preference shares of Rs. 2,50,000; d) Dividend 15% on 40,000 equity shares of Rs. 10 each fully paid; e) General Reserve Rs. 55,000; f) Development rebate reserve Rs. 40,000; g) Provide for Corporate Dividend Tax at 16.2225%.

You are required to give profit & loss appropriate account and give journal entries for payment of dividend.

Q5. a) Explain the need and significance of depreciation? What factors should be considered for determining amount of depreciation?
b) Distinguish between 'straight line method' and 'diminishing balance method' of providing depreciation. Which one of the above two methods would you recommend to provide depreciation on Plant and Machinery?

Q6. a) What is "Green Accounting"? How can it be used as a mean for discharge social responsibility by a company? Discuss.
b) Distinguish between following:
i) Provisions and Reserves
ii) Social Responsibility Accounting and Financial Accounting
iii) Human Resource Accounting and Management Accounting.

Q7. Seaways Ltd. had Rs. 18,00,000, 14% debenture outstanding on 1st April, 2001, redeemable on 31st March, 2002. On 1st April 2001, the debenture redemption fund stood at Rs. 14,98,000 represented by own debentures of the face value of Rs. 2,00,000 purchased at an average price of Rs. 99 per debenture and 10% stock acquired at par for Rs. 13,00,000. The annual installment of transfer to the fund was Rs. 1,42,000. On 31st March, 2002, investments were sold for Rs. 12,93,600 and the debentures were redeemed.

P.T.O.

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