Paper-4 Financial Accounting

Time: 3 hours   Max. Marks: 80

SECTION-A

I. Answer ALL the Questions.   4 X 15 = 60M

1. a) Accounting is said to be the language of Business. What does try to Communicate and how ?

(or)

   b) Explain briefly the significance of the Double Entry System and Enumerate the Advantages attaching to the system.

2. a) Nitin draws a Bill on Bose for Rs.1,500 which Bose accepts the same for mutual accommodation in the ratio of 2:1 i.e., Nitin 2/3 and Bose1/3. Nitin discounts the Bill for Rs.1,410 and remits 1/3 of the proceeds to Bose. Before the due date Bose draws another Bill for Rs.2,100 on Nitin in order to provide funds needed to meet the first Bill. The second Bill is discounted for Rs.2,040 with the help of which the first Bill is met and Rs.360/- is remitted to Nitin. Before the due date of second Bill Nitin becomes insolvent and Bose receives a dividend of 0.50 paisa in the rupee in full satisfaction.
Pass entries in the books of both the parties.

(or)

   b) Explain the methods of Depreciation ?

3. a) Explain single entry system - principles ?

(or)

   b) Explain the Receipts and Payments account and Income and expenditure account?

4. a) X Ltd invited application for 10,000 shares of Rs.100 each at a discount of 6% payable as follows :- on application Rs.25; on allotment Rs.34; on first and final call Rs.35. The application received were for 9000 shares and all the of these were accepted. All moneys due were received except first and final call on 100 shares which were forfeited. 50 shares were reissued@ Rs.90 as fully paid. Prepare Journal entries.

(or)

   b) Explain the 'Admission' and ' Retirement ' of partners?

SECTION-B

Answer any FOUR questions.   4 x 5 = 20

5. Rules of Double Entry Book keeping.
6. Types of Subsidiary books
7. Accommodation Bills
8. Explain ' Subscriptions' & 'Legacy'.
9. Types of Errors
10. Valuation of goodwill on average profits method
11. Legal provision in absence of partnership deed.
12. Issue of shares on discount