



UNIVERSITY OF NORTH BENGAL
BBA Honours 2nd Semester Examination, 2021

CC4-BBA (203)

FINANCIAL ACCOUNTING FOR MANAGERS

Full Marks: 60

ASSIGNMENT

The figures in the margin indicate full marks.

Answer any two of the following Assignments

30×2 = 60

1. (a) On 01.01.2018, Anubhav Automobiles of Siliguri purchased 5 (five) e-rickshaws from Vinayak Automobiles of Delhi on Hire purchased system. Payment was to be made 20% down and the balance in 4 (four) annual instalments of ₹2,80,000, ₹2,60,000, ₹2,40,000 and ₹2,20,000 commencing from 31.12.2018. The vendor charged interest @ 10% p.a. Anubhav Automobiles writes-off depreciation @ 20% p.a. on the original cost. 20
- On the purchaser's failure to pay the instalment due on 31.12.2019, after negotiations on 01.01.2020, the vendor agreed to leave 2 (two) e-rickshaws with Anubhav Automobiles adjusting the value of other 3 (three) e-rickshaws against the amount due. The e-rickshaws being valued at cost less 40% p.a. depreciation on W.D. V basis.
- Vinayak Automobiles after spending ₹6,000 on repairs on each of such e-rickshaws sold @ ₹70,000 on 30th June 2021.
- Prepare relevant ledger account in the books of Anubhav Automobiles and Vinayak Automobiles. Working notes should be shown in as details as possible.
- (b) Write notes on (i) Dual-aspect concept, (ii) Deferred revenue expenditure, (iii) Conservatism Principle (iv) Matching Principle. 2½ × 4
2. (a) Distinguish between Profit and Loss Account and Balance Sheet. 5
- (b) Prachi Ltd. with their Head Office at Kolkata invoiced goods to their Siliguri branch at 20% less than the list price which is cost plus 100% with instructions that cash sales are to be made at invoice price and credit sales at list price. From the following particulars prepare Branch Stock Account, Goods sent to Branch A/c, Branch Debtors Accounts, Branch Expenses Account, Pilferage Account, Abnormal Loss (by fire) A/c, Branch Adjustment Account, Branch Profit & Loss Account for the year ended 31.12.2020: 25

	₹
Stock at Branch on 01.01.2020 at cost to Branch	40,000
Branch Debtors on 01.01.2020	30,000
Goods received from H.O. at Invoice price	3,60,000
Cash Sales	90,000
Credit Sales	3,00,000

Cash received from debtors	2,40,000
Goods in transit	40,000
Branch Expenses	40,000
Bad Debts	2,000
Loss of goods by fire at Invoice Price	2,400
Transfer of goods to Jalpaiguri branch at Invoice Price	6,000
Pilferage at Invoice Price	1,000
Remittance to Head Office	3,30,000
Insurance claim admitted against loss by fire	1,200
Branch Stock on 31.12.2020 at Invoice price	60,000
Branch Debtors on 31.12.2020	88,000

3. (a) A, B and C were in partnership sharing Profit & Losses in the ratio of 2:2:1. They agreed to dissolve their partnership on 31st December, 2020 on which date their Balance Sheet was as under: 8+8+4

Liabilities	Amount ₹	Assets	Amount ₹
Capital:		Fixed Assets	50,000
A- 40,000		Joint Life Policy (at surrender Value)	10,000
B- 30,000	70,000		
Reserve Fund	10,000	Debtors	10,000
		Less: Prov. for Bad Debts	<u>500</u>
			9,500
Joint Life Policy Fund	10,000	Stock at Invoice Price	10,000
		Less: Price loading	<u>2,000</u>
			8,000
Creditors	19,000	Investments	8,000
Less: Provision	<u>500</u>	Less: Fluctuation Fund	<u>500</u>
	18,500		7,500
Salary Outstanding	2,000	Capital Account-C	2,000
		Bank	23,500
	1,10,500		1,10,500

Investments were taken over by A at ₹6,000, Creditors of ₹10,000 were taken over by B who has agreed to settle account with them at ₹9,900. Remaining creditors were paid ₹7,500. Joint Life Policy was surrendered and Fixed Assets realized ₹70,000. Stock and Debtors were realized ₹7,000 and ₹9,000 respectively. One customer, whose account was written off as bad, now paid ₹800 which is not included in ₹9,000 mentioned above. There was an unrecorded asset estimated at ₹3,000, half of which is handed over to an unrecorded liability of ₹5,000 in settlement of claim of ₹2,500 and remaining half was sold in the market which realized ₹1,300.

B took over the responsibility of completing the dissolution and he is granted a salary of ₹400 per month. Actual expenses amounted to ₹1,100. Dissolution was completed and final payments were made on 30th April, 2021. You are required to prepare the Realization Account, Partners' Capital Accounts and Bank Account.

- (b) Discuss the main objectives, limitation and methods of Preparing a Trial Balance.

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