



Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

**SECTION – A (Compulsory)**

**I. Choose the correct option:**

**[15 x 2 = 30]**

- (i) A resource owned by the business with purpose of using it for generating future profit, is known as\_\_\_\_\_.
- Capital
  - Asset
  - Liability
  - Surplus
- (ii) Original cost of a machine is ₹1,50,000, residual value ₹10,000, if depreciation is charged @ 10% per annum under WDV method then depreciation for 3rd year will be\_\_\_\_\_.
- ₹12,240
  - ₹11,340
  - ₹12,150
  - ₹14,000
- (iii) Memorandum Joint Venture Account is prepared \_\_\_\_\_
- for determining the amount due to co-venturer
  - for determining the amount due from co-venturer
  - for ascertaining the profit/loss on venturer
  - None of Above
- (iv) On dishonor of a bill of exchange that has been discounted, noting charges are initially paid by \_\_\_\_\_.
- Bank
  - Drawer
  - Drawee
  - Acceptor
- (v) If Kaveri's acceptance which was endorsed by us in favour of Saleem is dishonoured, then the amount will be debited in our books to \_\_\_\_\_
- Saleem
  - Kaveri
  - Bill Receivable A/c
  - None of the above



- (vi) If average inventory is ₹1,25,000 and closing inventory is ₹10,000 less than opening inventory then the value of closing inventory will be:
- ₹ 1,35,000
  - ₹ 1,15,000
  - ₹ 1,30,000
  - ₹ 1,20,000
- (vii) A Charitable Institution has 250 members with a annual subscription of ₹5,000 each. The subscription received during 2023-24 were ₹11,25,000, which include ₹65,000 and ₹25,000 for the years of 2022-23 and 2023-24 respectively. Amount of outstanding subscription for the 2022-23 will be:
- ₹90,000
  - ₹1,25,000
  - ₹2,15,000
  - ₹1,90,000
- (viii) X and Y were partners sharing profit/losses as 3:2. They admit Z as a new partner, giving him 1/5th share of future profits. What should be the new profit sharing ratio?
- 12:8:5
  - 3:2:1
  - 8:12:5
  - 5:8:12
- (ix) Which of the following account is mainly prepared at the time of dissolution of the firm?
- Revaluation A/c
  - Goodwill A/c
  - Realisation A/c
  - Memorandum Revaluation A/c
- (x) Operating lease is a \_\_\_\_\_
- Revocable contract
  - Non revocable contract
  - Operating contract
  - None of the above
- (xi) In Hire Purchase system cash price plus interest is known as \_\_\_\_\_.
- Capital value of asset
  - Book value of asset
  - Hire purchase price of asset
  - Hire purchase charges



- (xii) Arti Ltd. purchased a machine on hire purchase system for a cash price ₹5,00,000 to be paid as ₹78,700 cash down and the balance by three equal annual installment of ₹2,00,000 each. If interest is charged @ 20% per annum then amount of interest payable in second installment will be
- ₹1,00,000
  - ₹61,112
  - ₹33,328
  - ₹84,260
- (xiii) In case of a Club, the excess of expenditure over income is called as \_\_\_\_\_
- Surplus
  - Deficit
  - Capital fund
  - Investment in Fixed Assets
- (xiv) Shyam and Ramya are entered in the business of buy and sale of food grain for a period of one year and sharing the profit in the ratio of 2 :4, this agreement is a:
- Partnership
  - Consignment
  - Joint venture
  - Lease
- (xv) Which class of account is Consignment Account?
- Personal Account
  - Real Account
  - Representative Personal Account
  - Nominal Account



Section – B

(Answer any five questions out of seven questions given. Each question carries 14 Marks)

[5 x 14 = 70]

2. (a) On 31st January, 2024, Sethi's cash book showed a bank overdraft of ₹2,50,000. On comparing with the passbook, the following differences were noted.
- Cash and cheques amounting to ₹26,800 were sent to the bank on 27th January, but cheques worth ₹4600 were credited on 2nd February and one cheque for ₹900 was returned by them as dishonoured on 4th February.
  - During the month of January, Sethi issued cheques worth ₹33,400 to his creditors. Out of these, cheques worth ₹27,400 were presented for payment on 5th February.
  - According to Sethi's standing orders, the bankers have made the following payments during the month of January:
    - Life insurance premium ₹3,840
    - Television license fee ₹2,400
  - Sethi's bankers have collected ₹3,000 as dividend on his shares.
  - Interest charged by the bank ₹2,500
  - A bill receivable of ₹2,000 discounted with the bank in December, 2023, was dishonoured on 31st January, 2024. You are required to:
    - Prepare the amended cash book balance as on 31st January, 2024
    - Prepare a Bank Reconciliation Statement from the amended cash book as on 31st January 2024
- [7]
- (b) The books of accounts of A Co. Ltd. for the year ending 31.3.2024 were closed with a difference of ₹21,510 in books carried forward. The following errors were detected subsequently:
- Return outward book was under cast by ₹100.
  - ₹1,500 being the total of discount column on the credit side of the cash book was not posted.
  - ₹6,000 being the cost of purchase of office furniture was debited to Purchase A/c.
  - A credit sale of ₹760 was wrongly posted as ₹670 to the customers A/c. in the sales ledger.
  - The Sales A/c was under casted by ₹10,000 being the carry over mistakes in the sales day book.
  - Closing stock was over casted by ₹10,000 being casting error in the schedule or inventory. Prepare rectification entries in the next year.
- [7]
3. (a) Hari and Om agreed for purchasing and selling furniture in a joint venture, their profit sharing ratio being 3:2 respectively. Hari purchased 10 sofas at ₹10,000 per sofa. He sent those sofas to Om for sale after spending ₹1,000 per sofa on insurance and transportation. He drew a bill of ₹50,000 on Om and this bill was discounted at a discount of ₹5,000 after acceptance. Om incurred further expenses of ₹2,000 on these sofas before sale. He sold all the sofas @ ₹15,000 per sofa, giving 5% commission to the dealer. Prepare Joint Venture with Om Account in the books of Hari. Also show the Memorandum Joint Venture Account.
- [7]

**INTERMEDIATE EXAMINATION****SET 1****MODEL QUESTION PAPER****TERM – JUNE 2025****PAPER – 6****SYLLABUS 2022****FINANCIAL ACCOUNTING**

- (b) A Transport purchased from Kolkata Motors 3 Tempos costing ₹50,000 each on the hire purchase system on 1.1.2022. Payment was to be made ₹30,000 down and the remainder in 3 equal annual installments payable on 31.12.2022, 31.12.2023 and 31.12.2024 together with interest @ 9% p.a. A Transport writes off depreciation at the rate of 20% p.a. on the diminishing balance. It paid the installment due at the end of the first year i.e. 31.12.2022 but could not pay the next on 31.12.2023. Kolkata Motors agreed to leave one Tempo with the purchaser on 31.12.2023 adjusting the value of the other 2 Tempos against the amount due on 31.12.2023. The Tempos were valued on the basis of 30% depreciation annually on W.D.V. basis.

Prepare the necessary accounts in the books of A Transport for the year 2022,2023, 2024. [7]

4. Mr. Arvind Kumar has a small business enterprise. He has given the trial balance as at 31st March 2024

Particulars	Debit (₹)	Credit (₹)
Mr. Arvind Kumar's Capital		1,00,000
Machinery	36,000	
Depreciation on Machinery	4,000	
Repairs to Machinery	5,200	
Wages	54,000	
Salaries	21,000	
Income Tax of Mr. Arvind Kumar	1,000	
Cash in Hand	4,000	
Land & Building	1,49,000	
Depreciation on Building	5,000	
Purchases	2,50,000	
Purchase Returns		3,000
Sales		4,98,000
CC Bank		7,600
Accrued Income	3,000	
Salaries Outstanding		4,000
Bills Receivables	30,000	
Provision for Doubtful Debts		10,000
Bills Payable		16,000
Bad Debts	2,000	
Discount on Purchases		7,080
Debtors	70,000	
Creditors		62,520
Opening Stock (01.04.2023)	74,000	
Total	7,08,200	7,08,200



Additional information:

- (1) Stock as on 31st March 2024 was valued at ₹60,000
- (2) Write off further ₹6,000 as bad debt and maintain a provision of 5% for doubtful debt.
- (3) Goods costing ₹10,000 were sent on approval basis to a customer for ₹12,000 on 30th March, 2024. This was recorded as actual sales.
- (4) ₹2,400 paid as rent for office was debited to Landlord's A/c and was included in debtors.
- (5) General Manager is to be given commission at 10% of net profits after charging his commission.
- (6) Works manager is to be given a commission at 12% of net profit before charging General Manager's commission and his own.

Prepare final accounts in the books of Mr. Arvind Kumar, and also the Balance Sheet as on that date. [14]

5. P, Q and R sharing profits and losses equally, had been trading for many years. R decided to retire on 31.3.2024 on which date Balance Sheet of the firm is as follows.

Liabilities	(₹)	Assets	(₹)
Capital accounts:		Cash	36,000
P	1,20,000	Debtors	74,000
Q	85,000	Stock	60,000
R	75,000	Plant and Machinery	1,20,000
Creditors	85,000	Land and Building	75,000
	3,65,000		3,65,000

Value of goodwill was agreed as ₹93,000. Land and building increased in value, it being agreed at ₹1,05,600, plant and machinery was revalued at ₹1,00,500 and it was agreed to provide 6% in respect of debtors. Prepare Revaluation Account, Capital Accounts and Balance Sheet. [14]

6. (a) Green Ltd. with their H.O. at Kolkata, invoiced goods to their Patna Branch at 20% less than the list price, which is Cost plus 100% with instruction that cash sales are made at invoice price and credit price at list price. From following particulars, prepare Branch Stock account and Branch Stock Adjustment Account for the year ended on 31.3.2024

Particulars	(₹)	Particulars	(₹)
Stock at cost (1.4.2023)	4,800	Cash received from Debtors	34,254
Debtors (1.4.2023)	4,000	Expenses at Branch	6,946
Goods received from H.O. (at IP)	52,800	Remitted to H.O	48,000
Goods returned to H.O.	400	Debtor (31.3.2024)	9,746
Sales: Credit	40,000	Stock at IP (31.3.2024)	7,040
Cash	18,400		

[7]



- (b) On 1.4.2023, godown of Y Ltd. was destroyed by fire. The records of the company revealed the following particulars:

	(₹)
Stock on 1.1.2023	75,000
Stock on 31.12.2023	80,000
Purchases during 2023	3,10,000
Sales during 2023	4,00,000
Purchase from 1.1.2024 to the date of fire	75,000
Sales from 1.1.2024 to the date of fire	1,00,000

In valuing Closing Stock of 2023, ₹5,000 was written off whose cost was ₹4,800. Part of this stock was sold in 2024 at a loss of ₹400, at ₹2,400. Stock salvaged was ₹5,000. The godown and the cost of which was fully insured.

Evaluate amount of claim to be made against the insurance company.

[7]

7. (a) During the financial year 2023-24, Zeds Ltd., an e-commerce firm entered into a foreign currency transaction relating to fees for technical services paid to a Lucas Ltd., an Atlanta based organisation in the USA. The transaction was for \$24,000, which was entered into on 07.12.2022. The payment for the same was made on 20.05.2024. Given that the exchange rates are: on 07.12.2023: \$1 = ₹73.80; on 01.01.2024: \$1 = ₹73.95; on 31.03.2024: \$1 = ₹75.45; on 20.05.2024: \$1 = ₹76.50.

You are required to:

- (A) Evaluate the amount at which the transaction would get recognised in the books; and  
(B) Evaluate amount of foreign exchange gain/ loss to be recorded in the financial statement for the years 2023-24 and 2024-25.

[7]

- (b) Z Ltd. has set up its business in designated backward area which entitles it to receive as per a public scheme announced by the Government of India, a subsidy of 25% of the cost of investment. Having fulfilled the conditions laid down under the scheme, the company on its investment of ₹100 lakhs in capital assets during its accounting year ending on 31st March, 2024, received a subsidy of ₹25 lakhs in January, 2024 from the Government of India. The Accountant of the company would like to record the receipt as an item of revenue and to reduce the losses on the Profit and Loss Account for the year ended 31st March, 2024. Is his action justified?

[7]

8. (a) On 14.08.2023, Pushkar Ltd. obtained a loan from RAR Bank of ₹65 lakhs to be utilised as under:

Purchase of equipment: ₹19,50,000;

Construction of factory shed: ₹26,00,000;

Advance for purchase of delivery vehicle: ₹6,50,000; Working capital: ₹13,00,000.

In March, 2024 installation of the machinery was completed and also construction of factory shed was completed and the machinery installed. However, the truck was not delivered within 31.03.2024. Total interest charged by the bank for the year ending 31.3.2024 was ₹11.70 lakhs. Discuss how the interest amount would be treated in the financial statements of the company as per AS 16.

[5]



- (b) The City Sports Club of Surat had received in 2023-2024 ₹50,000 towards subscription. Subscription for 2022-23 unpaid on 1.4.2023 were ₹5,000.  
Subscriptions paid in advance on 31.3.2023 were ₹1,250 and the same on 31.3.2024 was ₹1,000.  
Subscriptions for 2023- 2024 unpaid on 31.3.2024 were ₹ 2,250.  
Calculate the amount of subscriptions that would appear in Income and Expenditure Account of the club for the year ended 31.03.2024. [5]
- (c) A and B are currently partners in a firm sharing Profit/Loss in the ratio of 4 : 3. A new partner C is admitted and after his admission new profit sharing ratio between A, B and C becomes 5: 3 : 2. Calculate the sacrifice ratio of A and B after admission of C. [4]