



INTERMEDIATE EXAMINATION
MODEL QUESTION PAPER
PAPER – 6
FINANCIAL ACCOUNTING

SET 2
TERM – JUNE 2025
SYLLABUS 2022

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) Which of the following is not a method of charging depreciation?
- Sinking Fund Method
 - Sum of years Digit Method
 - Working hours Method
 - Asset's Life-cycle Method
- (ii) Outward Invoice issued is a source document of _____.
- Purchase Book
 - Sales Book
 - Return Inward Book
 - Return Outward Book
- (iii) Which of the following errors is an error of omission?
- Sale ₹5,000 written in the purchase journal
 - Wages paid to Shyam debited to his account
 - The total of the sales journal has not been posted to the sales account
 - None of the above
- (iv) As on 31st March, 2024 debtors and additional bad debts are ₹8,00,000 and ₹10,000 respectively. If the provision for bad debts is made at 5% on debtors then amount of such provision will be _____.
- ₹40,000
 - ₹50,000
 - ₹39,500
 - ₹40,500
- (v) The party who is ordered to pay the amount is known as _____.
- Payee
 - Drawer
 - Drawee
 - Endorsee
- (vi) Income statement of a Charitable Institution is known as _____.
- Statement of profit and loss
 - Receipts and Payments Account
 - Income and Expenditure Account
 - Profit and Loss Account

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- (vii) Opening and Closing balance of Debtors are ₹30,000 and ₹40,000 respectively. Cash collected from debtors ₹2,40,000. Discount allowed is ₹15,000 for prompt payment. Bad Debts ₹10,000. The total goods sold on credit are _____.
- ₹2,55,000
 - ₹2,45,000
 - ₹2,95,000
 - ₹2,75,000
- (viii) Donation received for a specific purpose is a/an _____.
- Asset
 - liabilities
 - Revenue Receipts
 - Capital Receipts
- (ix) In absence of specific provision in the Partnership deed at what rate of interest on Capital of the Partners would be allowed?
- 8%
 - 10%
 - 6%
 - 11%
- (x) Opening Inventory ₹9,600, Purchases less Return ₹11,850, Salaries ₹3,200, Wages Rs.750, Commission on Purchases ₹200, Carriage Outward ₹300, Sales ₹24,900, Closing Inventory ₹3,500, Carriage on purchases ₹1,000. Compute Gross Profit.
- ₹5000
 - ₹6500
 - ₹3250
 - ₹3200
- (xi) Bad debts are apportioned among departments in the proportion of _____.
- Sales of each department
 - Number of units sold by each department
 - Cost of sales of each department
 - None of the above
- (xii) A plant worth ₹80,000 has been insured for ₹60,000, the loss on account of fire is ₹50,000. The insurance company will bear the loss to the extent of _____. Arti Ltd. purchased a machine on hire purchase.
- ₹37,500
 - ₹50,000
 - ₹60,000
 - ₹80,000
- (xiii) CP Points sells Computers on Hire Purchase basis at cost plus 25%. Terms of sale are ₹10,000 down payment and eight monthly instalments of ₹5,000 each for each computer. Compute the HP Price per computer.
- ₹50000
 - ₹40000
 - ₹20000
 - ₹10000

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- (xiv) As per AS 16 all of the following are qualifying assets except _____.
- Manufacturing plants and power generation facilities
 - Inventories that require substantial period of time
 - Assets those are ready for sale
 - None of the above
- (xv) Areas involving different accounting policies by different enterprises is/are _____.
- Valuation of inventories
 - Treatment of intangible assets
 - Recognition of profit on long-term contracts
 - All of these

Section – B**(Answer any five questions out of seven questions given. Each question carries 14 Marks)****[5 x 14 = 70]**

2. (a) On 1st April, 2022, Som Ltd. purchased a machine for ₹66,000 and spent ₹5,000 on shipping and forwarding charges, ₹7,000 as import duty, ₹1,000 for carriage and installation, ₹500 as brokerage and ₹500 for an iron pad. It was estimated that the machine will have a scrap value of ₹5,000 at the end of its useful life which is 15 years. On 1st January, 2023 repairs and renewals of ₹3,000 were carried out. On 1st October, 2024 this machine was sold for ₹50,000. Prepare Machinery Account for the 3 years. [7]
- (b) Rectify the following errors assuming that the errors were detected (A) Before the Preparation of Trial Balance; (B) After the preparation of Trial Balance and (C) After the preparation of Final Accounts.
- Purchase Plant for ₹10,000 wrongly passed through Purchase Account.
 - Sales Day Book was cast short by ₹1,000.
 - Cash paid to Mr. X for ₹1,000 was posted to his account as ₹100.
 - Purchase goods from Mr. T for ₹3,500 was entered in the Purchase Day Book as ₹500.
 - Paid salary for ₹3,000 wrongly passed through wages account. [7]
3. (a) M/s Singha Traders of Surat consigned 5,000 litres of edible oil costing ₹32 each to M Ltd. of Mumbai on 1.2.2024. S Ltd. paid ₹5,000 as freight and insurance charges. During transit 200 litres were destroyed for which the insurance company agreed to pay ₹5,000 in full settlement.
- M Ltd. paid clearing charges ₹6,100; godown rent ₹300 and Salesman's salary ₹900. It was entitled to 6% ordinary commission and 4% del credere commission on sales.
- On 30.6.2024, M Ltd. reported that 4,000 litres were sold at ₹1,65,000 and 100 litres were lost due to evaporation. A customer who bought liquor for ₹1,500 could pay only 40% of his amount. M Ltd. paid its balance due by a cheque.
- Prepare the Consignment Account in the books of M/s Singha Traders. [7]

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- (b) PQ Ltd. sold machinery having WDV of ₹80 lakhs to BR Ltd. for ₹100 lakhs and the same machinery was leased back by BR Ltd. to PQ Ltd. The lease back is operating lease. Examine if –
- (A) Sale price of ₹100 lakhs is equal to fair value.
 - (B) Fair value is ₹120 lakhs.
 - (C) Fair value is ₹90 lakhs and sale price is ₹76 lakhs.
 - (D) Fair value is ₹80 lakhs and sale price is ₹100 lakhs.
 - (E) Fair value is ₹92 lakhs and sale price is ₹100 lakhs
 - (F) Fair value is ₹70 lakhs and sale price is ₹78 lakhs.
- [7]

4. The following information is available from Mrs. Sashi who maintains books of accounts on single entry system.

Particulars	01.04.2023 (₹)	31.03.2024 (₹)
Cash and Bank	20,000	21,000
Sundry Debtors	17,000	25,000
Stock	40,000	60,000
Furniture	29,000	29,000
Creditors	32,000	22,000
10 % Loan from Mrs. Sashi	30,000	30,000

Mrs. Sashi withdrew ₹5,000 from the business every month for meeting her household expenses. During the year She sold investments held by her privately for ₹35,000 and invested the amount in her business. At the end of the year 2023-2024, it was found that full years interest t on loan from Mrs. Sashi had not been paid. Depreciation @ 10% p.a. was to be provided on furniture for the full year. Shop assistant was to be given a share of 5% on the profits ascertained before charging such share. Calculate profit earned during the year ended 31.03.2024 by Mrs. Sashi.

[14]

5. X & Y share profit & loss in the ratio of 5:3. They admit Z with 1/5th share of profits. He pays ₹80,000 as capital but does not contribute anything towards goodwill which is valued at ₹60,000. The capitals of the Partners are fixed. All adjustments are to be made through partners' current accounts. Their Balance Sheet as on March 31, 2024 is as follows:

Balance Sheet as on 31.03.2024

Liabilities	(₹)	(₹)	Assets	(₹)	(₹)
Capital:			Plant and Machinery		50,000
X—	80,000		Investments		31,000
Y—	60,000	1,40,000	Sundry Debtors		60,000
Current account:			Stock and Trade		90,000
X—	5,000		Bank		30,000
Y—	6,000	11,000			
General Reserve		60,000			
Sundry Creditors		50,000			
		2,61,000			2,61,000

Additional Information:

- (i) Plant and Machinery is valued at ₹46,000 and stock at ₹96,000.
 - (ii) One Creditor for ₹6,000 is dead and nothing is likely to be paid on this account.
 - (iii) The Capital accounts are to be proportionately adjusted on the basis of Z's capital and his share of profit, through Current accounts
 - (iv) Partners decide to maintain the General Reserve in the books of the firm.
- Prepare Revaluation Account, Capital and Current Accounts, Bank Account and Balance Sheet of the new firm.
- [14]

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6. (a) A Delhi head office passes one entry at the end of each month to adjust the position arising out of inter-branch transactions during the month. From the following inter-branch transactions in March 2024, make the entries in the books of Delhi Head office.

(A) Kolkata Branch:

- (i) Received goods from Patna branch ₹9,000 and Ahmedabad branch ₹6,000.
- (ii) Sent goods to Ahmedabad branch ₹15,000 and Patna branch ₹12,000.
- (iii) Sent acceptances to Patna branch ₹6,000 and Ahmedabad branch ₹3,000.

(B) Kanpur branch [apart from (a) above]:

- (i) Sent goods to Ahmedabad branch ₹9,000.
- (ii) Received B/R from Ahmedabad branch ₹9,000.
- (iii) Received cash from Ahmedabad branch ₹5,000.

[7]

- (b) A fire occurred on 15th September 2024 in the premises of Sen & Co. from the following figures, Evaluate the amount of claim to be lodged with the insurance company for loss of stock.

Particulars	(₹)
Stock at cost on 1.1.2023	40,000
Stock at cost on 1.1.2024	60,000
Purchases in 2023	80,000
Purchase from 1.1.2023 to 15.9.2024	1,76,000
Sales in 2023	1,20,000
Sales from 1.1.2024 to 15.9.2024	2,10,000

During the current year cost of purchase has risen by 10% above last years' level. Selling prices have gone up by 5%.

Salvage value of stock after fire was ₹4,000.

[7]

7. (a) On 30-04-2023 MMLtd. obtained a loan from the bank for ₹200 lakhs to be utilized as under:

Construction of a shed	₹80 lakhs
Purchase of Machinery	₹60 lakhs
Working Capital	₹40 lakhs
Advance for Purchase of truck	₹20 lakhs

In March 2024 construction of shed was completed and machinery installed.

Delivery of truck was not received. Total interest charged by the bank for the year ending 31-03-2024 was ₹36 lakhs. Advise the treatment of interest under AS-16.

[7]

(b)

Particulars	Exchange Rate
Goods purchased on 24.02.2022 of US\$ 10000	₹76.60
Exchange rate on 31.03.2022	₹77.00
Date of actual payment 5.06.2023	₹77.50

Evaluate the loss / gain for the financial years 2021-22 and 2023-24.

[7]



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8. (a)

Particulars	Amount (₹)
Expenditure incurred till 31.03.2023	5,00,000
Interest cost capitalized for the financial year 2022-23 @ 13%	26,000
Amount borrowed till 31.03.23 is	2,00,000
Assets transferred to construction during 2023-24	1,00,000
Cash payment during 2023-24	75,000
Progress payment received	3,70,000
New borrowing during 2023-24 @ 13%	2,00,000

Evaluate the amount of borrowing cost to be capitalized.

[5]

- (b) On 31st March 2023, a club had subscription in arrears of ₹28,000 and in advance ₹4,000. During the year ended 31st March 2024, the club received subscription of ₹2,08,000 of which ₹12,500 was related to 2024-25. On 31st March, 2023, there were 5 members who had not paid subscription for 2024 @ ₹ 1,600 per person. Prepare the Subscription Account for the year 2023-24.

[5]

- (c) X, Y and Z are partners in the ratio of 3 : 2:1. W is admitted with 1/6th share in future profits. Z would retain his original shares. Calculate the new profit sharing ratios of the partners.

[4]