

Roll No: \_\_\_\_\_

DATE: \_\_\_/\_\_\_/\_\_\_

# St. Claret College

Autonomous, Bengaluru



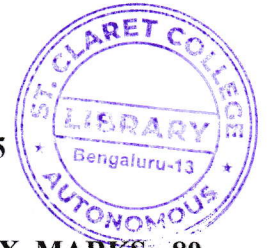
UG END SEMESTER EXAMINATION-NOVEMBER 2025

BBA I SEMESTER

BM1124: FUNDAMENTALS OF ACCOUNTING

TIME: 3 hours.

MAX. MARKS: 80



This paper contains FOUR printed pages and FOUR parts

**Instructions:**

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

**PART-A**

Answer all the Questions. Each Question Carries One Mark.

[10x1=10]

1. As per business entity concept, Business is different from \_\_\_\_\_  
a) Banker b) Owner c) Government d) Bank
2. Generally, the duration of an accounting period is of \_\_\_\_\_  
a) Six Months b) Three Months c) Twelve Months d) one month
3. Which of the following account comes under Nominal Account?  
a) Rajan A/c b) Interest A/c c) Machinery A/c d) Outstanding Salary A/c
4. Assets are always equal to:  
a) Capital b) Liabilities c) Liabilities + Capital d) Liabilities + Accounts Payable
5. When a customer returns the goods to supplier, which document is sent to him (customer)?  
a) An invoice b) A Debit Note c) A Credit Note d) Voucher
6. Goods purchased from Mr. Z, the payment for which is due after two months is recorded in \_\_\_\_\_  
a) Purchase Book b) Purchase Return Book c) Journal Proper d) Sales Returns Book
7. Bank reconciliation statement compares a bank statement with \_\_\_\_\_  
a) Cash payment journal b) Cash receipt journal c) Pass Book d) Cash Book
8. What is the main purpose of preparing a bank reconciliation statement?  
a) To know the bank balance b) To know the balance of bank statement c) To correct the cash book d) To identify causes of difference between cash book and bank statement
9. If a person fails to pay his debt, such an amount is considered as \_\_\_\_\_  
a) Bad Debts b) Loss c) Provisions d) discount
10. If the insurance premium paid Rs. 1,000 and prepaid insurance Rs. 300. The amount of insurance premium shown in the profit and loss account will be \_\_\_\_\_  
a) ₹ 1300 b) 300 c) 1000 d) 700

**PART-B**Answer any **THREE** Questions. Each answer carries **EIGHT** marks

[3x8= 24]

11. List out any 8 IND AS.
12. From the following particulars develop trial balance.

Particulars	Amount (₹)	Particulars	Amount (₹)
Purchases	5,000	Drawings	2,500
Sales	10,000	Plant	5,000
Capital	17,000	Stock	7,500
Debtors	7,500	Salaries	2,500
Creditors	5,000	Outstanding expenses	1,500
Bad debts	500	Prepaid expenses	500
Commission received	1,000	Rent	1,000
Bills payable	1,500	Loan to Bharath	4,000

13. Enter the Following Transaction in Purchase book for the month of September 2024.
- 1<sup>st</sup>- Purchased goods from Ram Prasad, Mumbai
- 10 mts cotton at ₹ 45 per mtrs.
  - 75 mts velvet at ₹ 80 per mtrs.
  - Less 10% trade discount.
- 15<sup>th</sup>- Purchased goods from Ram and sons, New Delhi
- 50 shirts at ₹ 150/shirt
  - 80 shirts at ₹ 65/shirt
  - Less trade discount-10%
- 22<sup>nd</sup> - Purchased from Mohan lal, Surat
- Shirting cloth ₹ 1000
  - Sarees ₹ 6000
- 25<sup>th</sup> - Gopal and sons, Kolar sold to us
- 10 denim shirts @ ₹ 200/shirt
  - 10 pants @ ₹ 300/pant.
- 28<sup>th</sup> – Bought Kurtis from Ganapathi Silks for ₹8000 in Cash
- 30<sup>th</sup> – Purchased Wardrobe from Sunshine Furniture Mart for ₹15000.
14. Explain the reasons where the balance shown by the bank passbook does not agree with the balance as shown by the bank column of the cash book.
15. From the following figures determine Net profit.

Particulars	Amount (₹)	Particulars	Amount (₹)
Sales	10,00,000	Opening stock	30,000
Sales returns	50,000	Closing stock	60,000
Purchase	2,00,000	Salaries	25,000
Purchase returns	10,000	Insurance	15,000
Carriage inwards	5,000	Advertisement Expenses	2,000
Wages	5,000	Carriage outwards	1,500
Manufacturing expenses	5,000		

**PART-C**Answer any **THREE** Questions. Each answer carries **TWELVE** marks

[12x3=36]

16. Prepare subsidiary books from the following data in the books of BABU Stationeries.

1/4/2024	Purchased stationery from Ram Traders ₹.10,000
3/4/2024	Sold stationery to Shuba Traders ₹.25,000
7/4/2024	Bought goods from Shiva Enterprises ₹. 12,000, Less trade discount, 5%
11/4/2024	Returned goods to Ram Traders ₹. 1,000
14/4/2024	Goods returned by Shiva Enterprises ₹. 2,000
17/4/2024	Goods returned to Shuba Traders ₹. 1,500
20/4/2024	Purchased stationery from Saraswathi Enterprises ₹. 30,000
22/4/2024	Purchased goods to Saraswathi Enterprises ₹. 2,500
24/4/2024	Sold goods to Raghu Stationeries ₹. 15,000, Less trade discount, 10%
29/4/2024	Raghu Stationeries returned goods worth ₹. 500 Purchases and sales have been made within the State and GST is charged at 5%.

17. Enter the following transaction in the journal of Mr. Raj for the month of Nov 2024

Nov 1	Started business with cash ₹ 1,50,000
3	goods purchased for cash ₹ 50,000
3	Sold Goods for cash ₹ 30,000
4	Goods purchased from Anush ₹ 20,000
6	Sold goods to Ramesh ₹ 15,000
8	Purchased furniture for cash ₹ 5000
10	Paid cash to Anush ₹ 15000
12	Bought goods from Ravi for cash ₹ 27000
14	Sold goods to Ashoka on credit ₹ 12000
16	Paid wages to Chandra ₹ 800
18	Deposited in to bank ₹2000
22	Withdrawn from bank for personal use ₹500
30	Received from Ashok ₹10,000 in full settlement of his account

18. Enter the following transaction in two column cash book and show the bank account in the ledger.

March 2024

1st	Cash in hand Rs 200 and at bank Rs 8000
3rd	Received for cash sales Rs 2000
4th	Paid for cash purchased Rs 1600
6th	Paid Das and company by cheque Rs 800 in full settled of his account Rs 850.
8th	Received cheque from Keshav Rs 670 in full settlement of his account Rs 700
9th	Paid in to bank the above cheque.
12th	Purchased office furniture for cash Rs 500
17th	Paid cash for advertisement Rs 200
20th	Viswanathan paid direct into our bank Rs 500.
26th	Paid for salary Rs 400
30th	Received cash from Shashi on account Rs 1100
31st	Paid into bank the amount exceeding Rs 200.

19. From the following trial balance of Mr. Manoj. Prepare trading and profit and loss account and Balance sheet for the year ended 31<sup>st</sup> March 2024

Particulars	Debit (₹)	Credit (₹)
Capital		20,000
Drawings	5,000	
Machinery	20,000	
Furniture	5,000	
Debtors	16,000	
Creditors		35,000

Insurance	3,000	
Salaries	5,000	
Land and Buildings	15,000	
Stock on 1/4/2022	7,000	
Purchase	30,000	
Sales		50,000
Discount Received		1,000
Rent	2,000	
Bills Payable		5,000
Cash in Hand	5000	
Bank overdraft		2,000
	<b>1,13,000</b>	<b>1,13,000</b>

**Additional Information**

- Closing stock is ₹ 8000.
- Insurance prepaid ₹ 500.
- Rent outstanding ₹ 1,000.
- Reserve for doubtful debts @ 5% on debtors.
- Depreciate Land and Building @10%.

20. Markson's & co. has a difference in balance as per cash book and bank statement as on 31st March 2024.

- Balance as per bank statement as on 31st March 2021 is ₹5000. Balance as per the cash book is ₹1,650.
- Cheques of ₹2000 and ₹1000 issued as on 30th March 2021, but not yet cleared.
- Insurance paid by the bank is ₹200. It is not yet recorded in the cash book.
- An outgoing cheque of ₹1000 was recorded twice in the cash book. It is accurately recorded in the bank passbook.
- Payment of a ₹500 cheque is recorded twice in the passbook.
- Dividends received ₹600 recorded only in the bank statement and not in the cash book.
- A cheque of ₹500 was deposited on 29th March 2024, but it is not collected.
- Bank charges of ₹50 were debited, it is only recorded in the bank passbook.

**PART-D:**

**Answer the following Question. This Question Carries TEN mark**

**[10x1=10]**

21. **Background:** Smith's Boutique is a small retail business that specializes in selling men's clothing and accessories. The owner, Alice Smith, opened the store five years ago and has been managing the finances on her own. Recently, she noticed discrepancies in her cash flow and wanted to better understand the financial health of her business. She decided to hire an accountant to analyze her financial statements and suggest improvements.

**Problem:** Despite healthy sales numbers, Smith's Boutique has been experiencing cash flow issues. Inventory levels seem high, and Alice is unsure if she is overstocking or if there are inefficiencies in her business operations. Additionally, she has not kept detailed records of her expenses, making it hard to track where money is being spent.

**Interpret the following:**

- What does the income statement reveal about the relationship between revenue and the cost of goods sold (COGS)?
- How can detailed expense tracking improve financial decision-making?

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