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**PRESIDENCY
UNIVERSITY
BENGALURU**

School of Commerce

Mid - Term Examinations - November 2024

SEMESTER: 1ST SEM

Date: 06-11-2024

Course Code: COM1026

Time: 09.30am to 11.00am

Course Name: Financial Accounting

Max Marks: 50

Weightage: 25%

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.

5Qx2M=10M

- | | | | | |
|----------|--|----------------|----------|-----------|
| 1 | Give the meaning of Accounting . | 2 Marks | L | CO |
| 2 | Define corporate governance in the context of financial reporting. | 2 Marks | L | CO |
| 3 | What is the main purpose of IFRS standards? | 2 Marks | L | CO |
| 4 | Name two users of financial statements and describe their needs. | 2 Marks | L | CO |
| 5 | What are the Golden Rules of Accounting? | 2 Marks | L | CO |

Part B

Answer ALL Questions. Each question carries 10 marks.

4QX10M=40M

- | | | | | |
|----------|---|----------------|----------|-----------|
| 6 | Discuss the role of IFRS in harmonizing global financial reporting practices. How do these standards impact multinational corporations? | 10Marks | L | CO |
|----------|---|----------------|----------|-----------|

Or

- 7 Mr. Kumaraswami is a sole proprietor having a provisions store. **10Marks** **L** **CO**
Following are the transactions during the month of January, 2023. Journalise them.

Jan. Rs.

- 1 Commenced business with cash 80,000
- 2 Deposited cash with bank 40,000
- 3 Purchased goods by paying cash 5,000
- 4 Purchased goods from Lipton & Co. on credit 10,000
- 5 Sold goods to Joy and received cash 11,000
- 6 Paid salaries by cash 5,000
- 7 Paid Lipton & Co. by cheque for the purchases made on 4th Jan.
- 8 Bought furniture by cash 4,000
- 9 Paid electricity charges by cash 1,000
- 10 Bank paid insurance premium on furniture as per standing instructions 300

- 8 Discuss the components and elements of financial statements and their significance in providing a true and fair view of a company's financial position. **10Marks** **L** **CO**

Or

- 9 Mr. Karthik is a sole trader dealing in textiles. Post the following transactions into Ledger accounts. **10Marks** **L** **CO**

March Rs.

- 1 Commenced business with cash 90,000
with goods 60,000
- 2 Purchased 20 readymade shirts from X and Co. on credit 10,000
- 3 Cash deposited into bank through Cash Deposit Machine 30,000
- 4 Purchased 10 readymade sarees from Y and Co. by cash 6,000
- 5 Paid X and Co. through NEFT
- 6 Sold 5 sarees to A and Co. on credit 4,000
- 7 A and Co. deposited the amount due in Cash Deposit Machine

- | | | |
|----|--|--------|
| 8 | Purchased 20 sarees from Z & Co. and paid through debit card | 12,000 |
| 9 | Stationery purchased for and paid through net banking | 6,000 |
| 10 | Bank charges levied | 200 |

10 Explain the process of posting journal entries into ledger accounts. Using hypothetical data, demonstrate how to balance and close a ledger account at the end of the financial period. **10Marks** **L** **CO**

Or

11 Classify the following accounts as Personal, Real, or Nominal: **10Marks** **L** **CO**

- Capital Account
- James Account
- Cash Account
- Bank Account
- Inventory Account
- Furniture Account:
- Sales Account
- Purchase Account
- Rent Account
- Interest Received Account

12 How can you differentiate the roles of journals and ledgers in accounting based on their practical applications? **10Marks** **L** **CO**

Or

13 Bragathish is a trader dealing in electronic goods who commenced his business in 2020. For the following transactions took place in the month of March 2023, pass journal entries. **10Marks** **L** **CO**

March Rs.

1. Purchased goods from Y and Co. on credit 60,000
2. Sold goods to D and Co. on credit 30,000
3. Paid Y and Co. through bank in full settlement 58,000
4. D and Co. accepted a bill drawn by Bragathish 30,000
5. Sold goods to L on credit 20,000
6. Sold goods to M on credit 40,000

7 Received a cheque from M in full settlement and deposited the same to the bank 39,000

8. Goods returned to Y and Co. 4,000

9. L became insolvent and only 90 paise per rupee is received by cash in final settlement

10. Goods returned by M 3,000