



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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## Mid - Term Examinations – October 2025

Date: 07-10-2025

Time: 09.30am to 11.00am

<b>School:</b> SOC	<b>Program:</b> B.Com (CMA)	
<b>Course Code:</b> CBS1034	<b>Course Name:</b> Basics of Accounting	
<b>Semester:</b> I	<b>Max Marks:</b> 50	<b>Weightage:</b> 25%

CO - Levels	C01	C02	C03	C04	C05
<b>Marks</b>	<b>50</b>	-	-	-	-

### 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 2 marks.

5Q x 2M=10M

1	Define Accounting.	2 Marks	L2	C01
2	Write an Accounting Equation.	2 Marks	L2	C01
3	Describe the term "IAS".	2 Marks	L2	C01
4	Write a short note on "GAAP".	2 Marks	L2	C01
5	Define IFRS.	2 Marks	L2	C01

### Part B

Answer ALL the Questions. Each question carries 10 marks.

4Q x 10M=40M

6.	Accounting information system is a formal process for collecting data, processing the data into information, and distributing that information to users. With reference to the above, Explain the characteristic of accounting information system.	10 Marks	L3	C01
Or				
7.	Accounting concepts are the assumptions, postulates or ideas, which	10 Marks	L3	C01

	are essential to the practice of accounting and preparation of financial statements. With reference to the above statement, Explain the following accounting concepts. i. Business Entity Concept ii. Money Measure Concept iii. Going Concern Concept iv. Dual Aspect Concept			
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<b>8.</b>	Accounting conventions are guidelines that help accountants record and present financial information for a business. They help accountants overcome practical problems that can arise when preparing financial statements. With reference to the above statement, Explain the accounting conventions.	<b>10 Marks</b>	<b>L3</b>	<b>CO1</b>
<b>Or</b>				
<b>9.</b>	The purpose of an accounting information system is to collect, store, and process financial and accounting data and produce informational reports that managers or other interested parties can use to make business decisions. With reference to the above context, Discuss the different users of accounting information.	<b>10 Marks</b>	<b>L3</b>	<b>CO1</b>

<b>10.</b>	On August 21, 2024, Ms. Sonia, the owner of M/s ABC Traders, decided to invest an additional Rs. 1,00,000 into her business, drawing from her personal savings. Mr. Ali, the accountant of M/s ABC Traders, record this transaction as an increase in the business's capital rather than treating it as Ms. Sonia's personal income. <b>Q1.</b> Was Mr. Ali correct in recording Ms. Sonia's additional investment as capital instead of personal income? <b>Q2.</b> What is the appropriate journal entry for recording this transaction in the book of M/s ABC Traders? <b>Q3.</b> Identify and explain the accounting principle that supports Mr. Ali's treatment of this transaction.	<b>10 Marks</b>	<b>L4</b>	<b>CO1</b>
<b>Or</b>				
<b>11.</b>	On August 21, 2024, Mr. Rohith, a senior accountant at M/s Krishna Enterprises, decides to resign after serving the company for over 10 years. His departure marks the end of a significant chapter for M/s Krishna Enterprises, as he has been instrumental in the company's success. With his vast experience, Mr. Rohith's exit is expected to affect the overall performance of the entity, Particularly the accounting team. This is a concise statement on the guiding principles of the company and what the company aims to do for customers, employees, owners, and other shareholders. <b>Q1.</b> As a student of accounting, how would you record Mr. Rohith's resignation in the books of M/s Krishna Enterprises? <b>Q2.</b> Which accounting principles applies to this situation? <b>Q3.</b> Explain the applicable principles in the context of Mr. Rohith's	<b>10 Marks</b>	<b>L4</b>	<b>CO1</b>

	resignation.			
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<b>12.</b>	Accounting standards are the written statements consisting of rules and guidelines, issued by the accounting institutions, for the preparation of uniform and consistent financial statements and also for other disclosures affecting the different users of accounting information. With reference to the above context, List out first 15 (Fifteen) International Accounting Standards (IAS) and discuss its implications.	<b>10 Marks</b>	<b>L4</b>	<b>CO1</b>
<b>Or</b>				
<b>13.</b>	IFRS are established in order to have a common accounting language, so business and accounts can be understood from company to company and country to country. With reference to the above statement, Enumerate the Merits and Demits of IFRS.	<b>10 Marks</b>	<b>L4</b>	<b>CO1</b>