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PRESIDENCY UNIVERSITY

BENGALURU

Mid - Term Examinations – October 2025

Date: 28-10-2025

Time: 11.00am to 12.30pm

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|-----------------------------|--|-----------------------|
| School: SOC | Program: B.com ACCA | |
| Course Code: CBS1025 | Course Name: Financial accounting | |
| Semester: I | Max Marks: 50 | Weightage: 25% |

| CO - Levels | CO1 | CO2 | CO3 | CO4 | CO5 |
|--------------------|------------|------------|------------|------------|------------|
| Marks | 28 | 22 | - | - | - |

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 | Name any four types of Business structure in India. | 2 Marks | L2 | CO1 |
| 2 | Who are the external users of accounting information? | 2 Marks | L2 | CO1 |
| 3 | Discuss the two responsibility of Company director. | 2 Marks | L2 | CO1 |
| 4 | Highlight the purpose of IFRS. | 2 Marks | L2 | CO1 |
| 5 | State four demerits of Double entry system. | 2 Marks | L2 | CO2 |

Part B

Answer ALL the Questions. Each question carries 10 marks.

4Q x 10M=40M

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|----|---|----------|----|-----|
| 6. | Give accounting Equation for the following transactions of Liza Pvt. Ltd. for January 2025: <ol style="list-style-type: none">1. Commenced business with cash Rs. 2,00,0002. Purchased Land Rs. 50,0003. Bought goods for cash Rs. 80,000.4. Cash sales of worth Rs. 25,000 | 10 Marks | L3 | CO2 |
|----|---|----------|----|-----|

| | | | | |
|-----------|---|----------|----|------|
| | <p>5. Bought goods on credit from Salman of worth Rs. 50,000 6. Sales on credit to Amir Rs. 12,000 7. Received cash from Amir of Rs. 10,000. 8. Paid expenses of Rs. 10,000.</p> | | | |
| Or | | | | |
| 7. | <p>Generally Accepted accounting Principles, are the standardized rules, guidelines, and standards that dictate how financial statements are prepared, ensuring transparency, consistency, and comparability of financial information across businesses and industries. Discuss importance of GAAP.</p> | 10 Marks | L3 | CO 2 |

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| | <p>Prepare a Bank Reconciliation Statement as on March 31, 2025, showing the balance as per the Pass Book from the following information:</p> <ol style="list-style-type: none"> 1. Balance as per Cash Book on March 31, 2025, was ₹75,000. 2. Two cheques deposited into the bank worth ₹12,000 were not cleared. 3. Three cheques issued worth ₹26,000 were not presented for payment. 4. Bank has allowed interest of ₹1,250, which is not recorded in the Cash Book. 5. Bank charges of ₹150 have not been recorded in the Cash Book. 6. Insurance premium was less charged by the bank by ₹4,500. | | | |
| Or | | | | |

| | | | | |
|----|--|----------|----|------|
| 9. | <p>From the following transactions of January 2025, prepare the following subsidiary books:</p> <ul style="list-style-type: none"> • Sales Book • Sales Returns Book • Purchases Book • Purchase Returns Book <p>Transactions:</p> <p>Jan 01 – Sold goods to Ramesh, Delhi ₹15,000.</p> <p>Jan 01 – Purchased goods from Hari Ram, Kanpur ₹8,000.</p> <p>Jan 02 – Sold goods to Dina Nath, Lucknow ₹10,000.</p> | 10 Marks | L3 | CO 2 |
|----|--|----------|----|------|

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| | <p>Jan 02 – Purchased goods from Mangal, Kolkata ₹50,000.</p> <p>Jan 02 – Ramesh returned goods worth ₹1,000.</p> <p>Jan 04 – Sold goods to Zakir Hussain, Lucknow ₹5,000.</p> <p>Jan 04 – Returned goods to Mangal, Kolkata ₹5,000.</p> <p>Jan 05 – Zakir Hussain returned goods worth ₹500.</p> <p>Jan 07 – Returned goods to Hari Ram, Kanpur ₹500.</p> <p>Jan 09 – Purchased goods from Raghunath, Delhi ₹10,000, subject to a trade discount of 10%.</p> <p>Jan 10 – Sold goods to Raja Ram for ₹5,000, subject to a trade discount of 5%.</p> | | |
|--|---|--|--|

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| 10. | <p>Journalize the following transactions in the books of Mr. Xavier for the month of January 2025:</p> <p>Jan 01: Started business with cash ₹1,00,000.</p> <p>Jan 03: Deposited cash into bank ₹20,000.</p> <p>Jan 07: Sold goods for cash ₹50,000.</p> <p>Jan 09: Purchased goods for ₹10,000 (half by cash and half by cheque).</p> <p>Jan 12: Sold goods to Krishan on credit ₹15,000.</p> <p>Jan 14: Purchased goods from Shyam on credit ₹22,500.</p> <p>Jan 20: Received ₹14500 from Krishan in full settlement of his account; discount allowed ₹500.</p> <p>Jan 23: Paid ₹22,250 to Shyam in full settlement of his account; discount received ₹250.</p> <p>Jan 25: Paid wages and salaries ₹5,500.</p> <p>Jan 29: Withdrew cash ₹4,000 and cheque ₹6,000 from bank for personal and official use.</p> | 10 Marks | L3 | CO 2 |
|-----|---|----------|----|------|

Or

| 11. | <p>From the following information, draft the trial balance for the year ending March 31st, 2025:</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>\$</th></tr> </thead> <tbody> <tr> <td>Receivables</td><td>6,000</td></tr> <tr> <td>Bank loan</td><td>3,000</td></tr> <tr> <td>Bank overdraft</td><td>2,500</td></tr> </tbody> </table> | Particulars | \$ | Receivables | 6,000 | Bank loan | 3,000 | Bank overdraft | 2,500 | 10 Marks | L3 | CO 2 |
|----------------|---|-------------|----|-------------|-------|-----------|-------|----------------|-------|----------|----|------|
| Particulars | \$ | | | | | | | | | | | |
| Receivables | 6,000 | | | | | | | | | | | |
| Bank loan | 3,000 | | | | | | | | | | | |
| Bank overdraft | 2,500 | | | | | | | | | | | |

| | | | | |
|----------------|--------|--|--|--|
| Drawings | 4,100 | | | |
| Capital | 12,500 | | | |
| Purchases | 19,200 | | | |
| Rent | 5,400 | | | |
| Bank interest | 825 | | | |
| Heat and light | 4,475 | | | |
| revenue | 22,000 | | | |
| Salaries | 1,650 | | | |

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| 12. | ABC Ltd. had started a manufacturing unit and the company purchased machinery worth ₹80,000 on 1st April 2020 and had spent Rs. 20,000 for its installation. The estimated life of the machinery is 5 years, and its scrap value is ₹0. The company sold off the machinery on March 31 st 2024 for Rs. 10,000. Calculate the annual depreciation using the Straight-Line Method, Profit or loss occurred by the company. Prepare the Machinery Account as well as depreciation account for 4 years. | 10 Marks | L3 | CO 2 |
| Or | | | | |
| 13. | XYX Ltd. decided to merge with PQR Ltd. and the newly formed company purchased equipment for ₹10,00,000 on 1st April 2020. The rate of depreciation is 10% per annum on Written Down Value Method. The company sold off the machinery on March 31 st 2024 for Rs. 70,000. Calculate the annual depreciation using Written Down Value Method the, Profit or loss occurred by the company. Prepare the Machinery Account as well as depreciation account for 4 years. | 10 Marks | L3 | CO 2 |