



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.																			
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

End - Term Examinations - December 2025

Date: 08 - 12 - 2025

Time: 09:30am - 12:30pm

School: SOC , SOM - UG	Program: B COM CA (Foundation)		
Course Code : CBS1031	Course Name: ACCOUNTING		
Semester: I	Max Marks: 100	Weightage: 50%	

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	20	20	20	20	20

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.

10Q x 2M=20M

1.	What is book keeping?	2 Marks	L1	CO1
2.	Explain going concern concept.	2 Marks	L2	CO1
3.	What is a Promissory note?	2 Marks	L1	CO2
4.	What is trading account?	2 Marks	L1	CO2
5.	State the 3 necessary documents for sole proprietor accounts.	2 Marks	L1	CO3
6.	What is contra entry?	2 Marks	L1	CO3
7.	Give 2 examples of contra entry.	2 Marks	L1	CO4
8.	State the methods of charging depreciation.	2 Marks	L1	CO4
9.	Give the format of two column cash book.	2 Marks	L1	CO5
10.	List the types of subsidiary books.	2 Marks	L1	CO5

Part B

Answer ALL the Questions. Each question carries 7 marks.

5Q x 7M = 35M

11.	A firm purchased second hand machinery on 1st January, 2019 for Rs 3,00,000, subsequent to which Rs 60,000 and Rs 40,000 were spent on its repairs and installation, respectively. On 1st July, 2020 another machinery was purchased for Rs 2,60,000. On 1st July, 2021, the first machinery having become outdated was auctioned for Rs 3,20,000 and on the same date, another machinery was purchased for Rs 2,50,000. On 1st July, 2022, the second machinery was also sold off and it fetched Rs 2,30,000. Depreciation was provided on machinery @ 10% on the original cost annually on 31st December, under the straight line method. Prepare Machinery Account for the period 2019 to 2022.	07 Marks	L2	CO1
Or				
12.	A firm purchased on 1st January, 2020 certain machinery for Rs 5,82,000 and spent Rs 18,000 on its erection. On July 1, 2020 another machinery for Rs 2,00,000 was acquired. On 1st July, 2021 the machinery purchased on 1st January, 2020 having become obsolete was auctioned for Rs 3,86,000 and on the same date fresh machinery was purchased at a cost of Rs 4,00,000. Depreciation was provided for annually on 31st December at the rate of 10 per cent p.a. on written down value. Required Prepare machinery account.	07 Marks	L2	CO1
13.	Journalise the following transactions in K. Katrak's books: (i) Katrak's acceptance to Basu for Rs 2,500 discharged by a cash payment of Rs 1,000 and a new bill for the balance plus Rs 50 for interest. (ii) G. Gupta's acceptance for Rs 4,000 which was endorsed by Katrak to M. Mehta was dishonoured. Mehta paid Rs 20 noting charges. Bill withdrawn against cheque. (iii) D. Dalal retires a bill for Rs 2,000 drawn on him by Katrak for Rs10 discount. (iv) Katrak's acceptance to Patel for Rs 5,000 was discharged by endorsing Mody's acceptance to Katrak for a similar amount.	07 Marks	L2	CO2
Or				
14.	Mr. David draws two bills of exchange on 1.1.2022 for Rs6,000 and Rs10,000. The bills of exchange for Rs6,000 is for two months while the bill of exchange for Rs10,000 is for three months. These bills are accepted by Mr. Thomas. On 4.3.2022, Mr. Thomas requests Mr. David to renew the first bill with interest at 18% p.a. for a period of two months. Mr. David agrees to this proposal. On 20.3.2022, Mr. Thomas retires the acceptance for Rs10,000, the interest rebate i.e. discount being Rs100. Before the due date of the renewed bill, Mr. Thomas becomes insolvent and only 50 paise in a rupee could be recovered from his estate. You are to give the journal entries in the books of Mr. David.	07 Marks	L2	CO2

15.	Revenue, Expenses and Gross Profit Balances of M/s ABC Traders for the year ended on 31st March 2022 were as follows: Gross Profit Rs 4,20,000, Salaries Rs 1,10,000, Discount (Cr.), Rs 18,000, Discount (Dr.) Rs 19,000, Bad Debts Rs 17,000, Depreciation Rs 65,000, Legal Charges Rs 25,000, Consultancy Fees Rs 32,000, Audit Fees Rs 1,000, Electricity Charges Rs 17,000, Telephone, Postage and Telegrams Rs 12,000, Stationery Rs 27,000, Interest paid on Loans Rs 70,000. Required Prepare Profit and Loss Account of M/s ABC Traders for the year ended on 31st March, 2022. Show necessary closing entries in the Journal Proper of M/s. ABC Traders also.	07 Marks	L3	CO3
-----	---	----------	----	-----

Or

16.	<p>The balance sheet of Thapar on 1st April, 2021 was as follows</p> <table border="1" data-bbox="225 645 1054 931"> <thead> <tr> <th style="text-align: left;">Liabilities</th> <th style="text-align: right;">Amount ₹</th> <th style="text-align: left;">Assets</th> <th style="text-align: right;">Amount ₹</th> </tr> </thead> <tbody> <tr> <td>Trade payables</td> <td style="text-align: right;">15,00,000</td> <td>Plant & Machinery</td> <td style="text-align: right;">30,00,000</td> </tr> <tr> <td>Expenses Payable</td> <td style="text-align: right;">1,50,000</td> <td>Furniture & Fixture</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">50,00,000</td> <td>Trade receivables</td> <td style="text-align: right;">14,00,000</td> </tr> <tr> <td></td> <td></td> <td>Cash at Bank</td> <td style="text-align: right;">6,50,000</td> </tr> <tr> <td></td> <td></td> <td>Inventories</td> <td style="text-align: right;">13,00,000</td> </tr> <tr> <td></td> <td style="text-align: right;">66,50,000</td> <td></td> <td style="text-align: right;">66,50,000</td> </tr> </tbody> </table> <p>During 2021-22, his Profit and Loss Account revealed a net profit of Rs 18,30,000. This was after allowing for the following : </p> <p>(a) Rent received from property let out Rs 3,00,000.</p> <p>(b) Depreciation on Plant and Machinery @ 10% and on Furniture and Fixtures @ 5%.</p> <p>(c) A provision for Doubtful Debts @ 5% of the trade receivables as at 31st March, 2022.</p> <p>But while preparing the Profit and Loss Account he had forgotten to provide for</p> <p>(1) outstanding expenses totaling Rs 1,80,000 and</p> <p>(2) prepaid insurance to the extent of Rs 20,000.</p> <p>His current assets and liabilities on 31st March, 2022 were: Inventories Rs 14,50,000; Trade receivables Rs 20,00,000; Cash at Bank Rs 10,35,000 and Trade payables Rs 11,40,000. During the year he withdrew Rs 6,00,000 for domestic use. Required Draw up his Balance Sheet at the end of the year.</p>	Liabilities	Amount ₹	Assets	Amount ₹	Trade payables	15,00,000	Plant & Machinery	30,00,000	Expenses Payable	1,50,000	Furniture & Fixture	3,00,000	Capital	50,00,000	Trade receivables	14,00,000			Cash at Bank	6,50,000			Inventories	13,00,000		66,50,000		66,50,000	07 Marks	L3	CO3
Liabilities	Amount ₹	Assets	Amount ₹																													
Trade payables	15,00,000	Plant & Machinery	30,00,000																													
Expenses Payable	1,50,000	Furniture & Fixture	3,00,000																													
Capital	50,00,000	Trade receivables	14,00,000																													
		Cash at Bank	6,50,000																													
		Inventories	13,00,000																													
	66,50,000		66,50,000																													

17.	Define a Promissory Note and analyze its key characteristics based on the principles of negotiable instruments.	07 Marks	L4	CO4
-----	---	----------	----	-----

Or

18.	Explain the meaning of a Bill of Exchange and analyze its key characteristics as a negotiable instrument.	07 Marks	L4	CO4
-----	---	----------	----	-----

19.	Explain the concept of a Bank Reconciliation Statement and <i>evaluate</i> the reasons for its preparation in accounting.	07 Marks	L2	CO5
-----	---	----------	----	-----

Or

20.	Define favourable and unfavourable balances as per the Cash Book and Pass Book, and distinguish between them with appropriate reasoning.	07 Marks	L2	CO5
-----	--	----------	----	-----

Part C

Answer any three Questions. Each question carries 15marks

3Q x 15M=45M

21.	On April 1, 2019 Shubra Ltd. purchased a machinery for Rs 12,00,000. On Oct 1, 2021, a part of the machinery purchased on April 1, 2019 for Rs 80,000 was sold for Rs 45,000 and a new machinery at a cost of Rs 1,58,000 was purchased and installed on the same date. The company has adopted the method of providing 10% p.a. depreciation on the written down value of the machinery. Required : Show the necessary ledger accounts for the years ended 31st March, 2020 to 2022 assuming that Provision for Depreciation Account is maintained.	15 Marks	L2	CO2
-----	--	----------	----	-----

22.	Vijay sold goods to Pritam on 1st September, 2022 for Rs1,06,000. Pritam immediately accepted a three months bill. On due date Pritam requested that the bill be renewed for a fresh period of two months. Vijay agrees provided interest at 9% p.a. was paid immediately in cash. To this Pritam was agreeable. The second bill was met on due date. Give Journal entries in the books of Vijay and Pritam.	15 Marks	L2	CO2
-----	--	----------	----	-----

23.	<p>The following is the Trial Balance of C. Wanchoo on 31st March, 2022</p> <p style="text-align: center;">Trial Balance on 31st March , 2022</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">₹</th> <th style="text-align: right;">₹</th> </tr> </thead> <tbody> <tr> <td>Capital Account</td> <td></td> <td style="text-align: right;">10,00,000</td> </tr> <tr> <td>Inventories as on 1st April,2021</td> <td style="text-align: right;">2,00,000</td> <td></td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: right;">1,44,000</td> <td></td> </tr> <tr> <td>Machinery Account</td> <td style="text-align: right;">7,36,000</td> <td></td> </tr> <tr> <td>Purchases Account</td> <td style="text-align: right;">18,20,000</td> <td></td> </tr> <tr> <td>Wages Account</td> <td style="text-align: right;">10,00,000</td> <td></td> </tr> <tr> <td>Salaries Account</td> <td style="text-align: right;">10,00,000</td> <td></td> </tr> <tr> <td>Discount Allowed A/c</td> <td style="text-align: right;">50,000</td> <td></td> </tr> <tr> <td>Discount Received A/c</td> <td></td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Sundry Office Expenses Account</td> <td style="text-align: right;">6,00,000</td> <td></td> </tr> <tr> <td>Sales Account</td> <td></td> <td style="text-align: right;">50,00,000</td> </tr> <tr> <td>Sums owing by customer (Trade receivables)</td> <td style="text-align: right;">8,50,000</td> <td></td> </tr> <tr> <td>Trade payables (sums owing to suppliers)</td> <td></td> <td style="text-align: right;">3,70,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">64,00,000</td> <td style="text-align: right;">64,00,000</td> </tr> </tbody> </table> <p>Value of Closing Inventory on 31st March, 2022 was Rs 2,70,000 Prepare closing entries for the above items and Prepare Trading and Profit and Loss Account</p>	Particulars	₹	₹	Capital Account		10,00,000	Inventories as on 1 st April,2021	2,00,000		Cash in hand	1,44,000		Machinery Account	7,36,000		Purchases Account	18,20,000		Wages Account	10,00,000		Salaries Account	10,00,000		Discount Allowed A/c	50,000		Discount Received A/c		30,000	Sundry Office Expenses Account	6,00,000		Sales Account		50,00,000	Sums owing by customer (Trade receivables)	8,50,000		Trade payables (sums owing to suppliers)		3,70,000	Total	64,00,000	64,00,000	15 Marks	L3	CO3
Particulars	₹	₹																																															
Capital Account		10,00,000																																															
Inventories as on 1 st April,2021	2,00,000																																																
Cash in hand	1,44,000																																																
Machinery Account	7,36,000																																																
Purchases Account	18,20,000																																																
Wages Account	10,00,000																																																
Salaries Account	10,00,000																																																
Discount Allowed A/c	50,000																																																
Discount Received A/c		30,000																																															
Sundry Office Expenses Account	6,00,000																																																
Sales Account		50,00,000																																															
Sums owing by customer (Trade receivables)	8,50,000																																																
Trade payables (sums owing to suppliers)		3,70,000																																															
Total	64,00,000	64,00,000																																															

24.	Enter the following transaction in three column cash book	15 Marks	L4	C04																																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">2022</th> <th style="width: 70%;"></th> <th style="width: 20%; text-align: right;">₹</th> </tr> </thead> <tbody> <tr> <td>Jan.1</td> <td>Chandrika commences business with Cash</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>" 3</td> <td>He paid into Current A/c</td> <td style="text-align: right;">19,000</td> </tr> <tr> <td>" 4</td> <td>He received cheque from Kirti & Co. on account</td> <td style="text-align: right;">600</td> </tr> <tr> <td>" 7</td> <td>He pays in bank Kirti & Co.'s cheque</td> <td style="text-align: right;">600</td> </tr> <tr> <td>" 10</td> <td>He pays Rattan & Co. by cheque and is allowed discount ₹ 20</td> <td style="text-align: right;">330</td> </tr> <tr> <td>" 12</td> <td>Tripathi & Co. pays into his Bank A/c</td> <td style="text-align: right;">475</td> </tr> <tr> <td>" 15</td> <td>He receives cheque from Warshi and allows him discount ₹ 35</td> <td style="text-align: right;">450</td> </tr> <tr> <td>" 20</td> <td>He receives cash ₹ 75 and cheque ₹ 100 for cash sale</td> <td></td> </tr> <tr> <td>" 25</td> <td>He pays into Bank, including cheques received on 15th and 20th</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>" 27</td> <td>He pays for cash purchase</td> <td style="text-align: right;">275</td> </tr> <tr> <td>" 30</td> <td>He pays sundry expenses in cash</td> <td style="text-align: right;">50</td> </tr> </tbody> </table>					2022		₹	Jan.1	Chandrika commences business with Cash	20,000	" 3	He paid into Current A/c	19,000	" 4	He received cheque from Kirti & Co. on account	600	" 7	He pays in bank Kirti & Co.'s cheque	600	" 10	He pays Rattan & Co. by cheque and is allowed discount ₹ 20	330	" 12	Tripathi & Co. pays into his Bank A/c	475	" 15	He receives cheque from Warshi and allows him discount ₹ 35	450	" 20	He receives cash ₹ 75 and cheque ₹ 100 for cash sale		" 25	He pays into Bank, including cheques received on 15th and 20th	1,000	" 27	He pays for cash purchase	275	" 30	He pays sundry expenses in cash	50
2022		₹																																						
Jan.1	Chandrika commences business with Cash	20,000																																						
" 3	He paid into Current A/c	19,000																																						
" 4	He received cheque from Kirti & Co. on account	600																																						
" 7	He pays in bank Kirti & Co.'s cheque	600																																						
" 10	He pays Rattan & Co. by cheque and is allowed discount ₹ 20	330																																						
" 12	Tripathi & Co. pays into his Bank A/c	475																																						
" 15	He receives cheque from Warshi and allows him discount ₹ 35	450																																						
" 20	He receives cash ₹ 75 and cheque ₹ 100 for cash sale																																							
" 25	He pays into Bank, including cheques received on 15th and 20th	1,000																																						
" 27	He pays for cash purchase	275																																						
" 30	He pays sundry expenses in cash	50																																						

25.	<p>State with reasons whether the given statement is True or False</p> <p>(1) When the causes of differences between pass book balance and cash book is not known, then the bank reconciliation statement can be prepared by matching the two books and identifying any unticked items in both sets.</p> <p>(2) Promissory note is different from bill of exchange because the amount is paid by the maker in case of former and by the acceptor in the later.</p> <p>(3) Overcasting of credit side of the cash book shall result in a higher bank balance in cash book when compared with pass book balance.</p> <p>(4) Days of rebate are added to the due date to arrive at the maturity date.</p> <p>(5) A cheque for Rs. 80,000 that was discounted from bank was dishonoured and the bank charged Rs. 1,600 as the charges on account of same. While starting with debit balance in cash book for preparing bank reconciliation statement, we need to deduct Rs. 78,400 to reconcile with pass book.</p>	15 Marks	L5	C05
------------	---	-----------------	-----------	------------