



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.																			
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Make up Examinations – December 2025

Date: 31 – 12- 2025

Time: 09:30am – 12:30pm

School: SOC	Program: BBA/BBF/BAV		
Course Code : SOC2001	Course Name: Financial Accounting		
Semester: MK	Max Marks: 100	Weightage: 50%	

CO - Levels	C01	C02	C03	C04	C05
Marks	17	17	22	22	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.

10Q x 2M=20M

1.	Explain book-keeping?	2 Marks	L1	C01
2.	State an example of a nominal account.	2 Marks	L2	C02
3.	Name two users of accounting information	2 Marks	L1	C01
4.	Define 'Petty Cash Book	2 Marks	L1	C03
5.	Name any two methods used by Head Office to maintain accounts for dependent branches.	2 Marks	L2	C04
6.	State one advantage of maintaining branch accounts under the Debtors System.	2 Marks	L2	C04
7.	Explain 'Reinsurance Ceded' in the context of insurance companies?	2 Marks	L2	C05
8.	State the meaning of 'Commission on Reinsurance.'	2 Marks	L2	C05

9.	Describe the necessary adjustment for 'Goods Sent at Invoice Price' at the end of an accounting period?	2 Marks	L2	C05
10.	List one major source of income for a general insurance company's Revenue Account.	2 Marks	L2	C05

Part B

Answer ALL the Questions. Each question carries 7 Marks.

Total Marks 35M

11.	a.	Using the following transactions of Alpha Enterprises, prepare ledger accounts for Bank, Capital, Furniture, and Salary Expense for the month of June 2025: <ul style="list-style-type: none"> June 1: Owner deposited ₹2,00,000 into bank account. June 4: Purchased furniture for ₹50,000 by cheque. June 8: Paid salary of ₹15,000 by bank. June 12: Cash sales of ₹25,000 deposited into bank. June 18: Owner withdrew ₹20,000 from the bank for personal use. June 25: Paid electricity bill ₹3,000 by cheque. 	07 Marks	L3	C01						
Or											
12.	a.	Discuss the differences between capital and revenue expenditures, with examples for each.	07 Marks	L3	C01						
13.	a.	Apply the concept and advantages of subsidiary books in accounting. How do they improve efficiency and accuracy compared to recording all transactions in the main journal?	07 Marks	L3	C02						
Or											
14.	a.	Using the following data, record the transactions in a single column cash book and balance it on April 30, 2025: <ul style="list-style-type: none"> Opening cash balance ₹15,000 Cash sales ₹7,500 Rent paid ₹2,000 Purchased stationery for cash ₹1,500 Cash received from debtors ₹3,200 Paid electricity bill ₹1,000 	07 Marks	L3	C02						
15.	a.	From the following ledger balances of XYZ Traders as on March 31, 2025, prepare a Trial Balance: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Particulars</th> <th>(₹)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>1,50,000</td> </tr> <tr> <td>Purchases</td> <td>1,20,000</td> </tr> </tbody> </table>	Particulars	(₹)	Capital	1,50,000	Purchases	1,20,000	07 Marks	L3	C03
Particulars	(₹)										
Capital	1,50,000										
Purchases	1,20,000										

		Sales	2,00,000				
		Rent Expense	12,000				
		Salaries Expense	25,000				
		Cash	1,61,000				
		Accounts Receivable	40,000				
		Accounts Payable	28,000				
		Furniture	20,000				

Or

16.	a.	Explain the significance of a Trial Balance. What are the possible reasons it may not balance?	07 Marks	L3	C03
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17.	a.	Explain how 'Outstanding Claims' are recorded in an insurance company's accounts and discuss the accounting principles that support this treatment.	07 Marks	L2	C05
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Or

18.	a.	Outline the objective and structure of a general insurance company's Revenue Account. Compare its main income and expense items with those in a standard trading and profit & loss account.	07 Marks	L2	C05
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19.	a.	Explain the concept of 'goods sent at invoice price' in branch accounting. Discuss why this method is adopted by the Head Office and detail the adjustments required at the end of the accounting period to determine the branch's true profit or loss.	07 Marks	L2	C04
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Or

20.	a.	Compare and contrast 'Goods in Transit' as recorded in branch accounts with 'Outstanding Claims' in insurance accounting, highlighting the principles guiding their treatment and their impact on financial statements.	07 Marks	L2	C04
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Part C

Answer any Three Questions. Each question carries 15 marks

3Q x 15M=45M

21.	a.	Mr. Arman started business on April 1, 2025, with a capital of ₹1,00,000. The following transactions took place in the first week: <ol style="list-style-type: none"> 1. Deposited ₹75,000 into a bank account. 2. Purchased furniture for ₹10,000 in cash. 	15 Marks	L4	C02
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		<p>3. Bought goods worth ₹25,000 on credit from Rakesh.</p> <p>4. Sold goods for ₹15,000 cash.</p> <p>5. Paid ₹1,000 as carriage on purchases.</p> <p>6. Received ₹5,000 from a customer, Ritu.</p> <p>7. Paid rent ₹2,000 by cheque.</p> <p>Required:</p> <p>a) Pass necessary journal entries for the above transactions.</p> <p>b) Post them into ledger accounts.</p> <p>c) Prepare a Trial Balance as on April 7, 2025.</p>			
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22.	a.	Date	Transactions	15 Marks	L4	CO2
		1-May	Opening balances: Cash ₹10,000; Bank ₹15,000			
		2-May	Paid to Krishna ₹4,950 and received ₹50 as discount			
		4-May	Received ₹9,800 from Sohan and allowed him a discount of ₹200			
		6-May	Deposited ₹5,000 cash into bank (contra entry)			
		10-May	Withdrew ₹3,000 from bank for office use (contra entry)			
		15-May	Paid insurance premium ₹1,200 by cheque			
		20-May	Cash sales ₹8,000			
		24-May	Received a cheque of ₹4,000 from Ravi and deposited it into the bank			
		27-May	Paid rent ₹2,000 in cash			
		30-May	Withdrew ₹1,500 from bank for personal use			
		Prepare the Triple Column Cash Book, clearly showing all contra entries, discounts, and proper balancing.				

23.	a.	Analyze the accounting concepts like revenue recognition and matching and conventions such as conservatism and materiality impact the measurement and presentation of assets, liabilities, and profit? Illustrate your answer with examples.	15 Marks	L4	CO1
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24.	a.	Using the trial balance extracted from Kiran & Co. on 31st December 2024, prepare the Trading, Profit and Loss Account and Balance Sheet:		15 Marks	L4	CO3		
			Rs.					Rs.
		Cash in Hand	2,000				Capital	85,000
		Sundry Debtors	48,000				Creditors	42,500
		Purchases	75,600				Sales	1,20,000
		Bills Receivable	15,800				Bills Payable	8,400

		Rent	4,500	Return Outward	1,500				
		Salaries	10,200	Commission received	2,200				
		Electricity Charges	1,600						
		Carriage Inward	1,300						
		Insurance	920						
		Trade Expenses	650						
		Returns Inward	2,900						
		Opening Stock	6,000	Closing Stock	8,500				

25.	a.	Explain the salient features and accounting principles followed in the preparation of final accounts for a general insurance company. Elaborate on the treatment and significance of Reserve for Unexpired Risks, Claims Paid vs. Claims Outstanding, Reinsurance Ceded and Accepted, and Commission on Direct Business and Reinsurance within these accounts.	15 Marks	L4	C05
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