Roll No										

PRESIDENCY UNIVERSITY

GAIN MORE KNOWLEDGE REACH GREATER HEIGHTS

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 25/05/2026		**Time: 09.30 AM - 12.30 PM**
Course Code: BBL3002	**Course Name: Business Accounting**	
Semester: Second Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	**10**	**30**	**36**	**62**	**42**

Part A: Answer Following Questions. 20 M

Qn.No	Questions	M	CO	BT
1	Define Book-keeping.	2	CO1	BT1
2	What is meant by Accounting Information?	2	CO1	BT1
3	Define Trial Balance.	2	CO2	BT1
4	Define Ledger.	2	CO2	BT1
5	State the meaning of Cash Book.	2	CO3	BT1
6	State any two advantages of Subsidiary Books.	2	CO3	BT1
7	What is Rectification of Errors?	2	CO4	BT1
8	Who is the Drawer?	2	CO4	BT1
9	Define Gross Profit.	2	CO5	BT1
10	State the meaning of Balance sheet.	2	CO5	BT1

Part B: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
11.a	Explain the concept of IFRS and Indian Accounting Standards (Ind AS).	6	CO1	BT2
11.b	Journalise the following transactions and post them into Ledger accounts in the books of Mr Raj: Jan 1 Started business with cash ₹50,000	10	CO2	BT3

	Jan 5 Purchased goods for cash ₹10,000 Jan 10 Purchased goods from Ram ₹8,000 Jan 15 Sold goods for cash ₹15,000 Jan 20 Sold goods to Shyam ₹6,000			
12.a	Distinguish between total method and balance method of trial balance.	6	CO2	BT2
12.b	Prepare a Trial Balance from the following balances as on 31-03-2024: • Cash ₹12,000 • Bank ₹8,000 • Capital ₹40,000 • Wages ₹5,000 • Purchases ₹15,000 • Sales ₹30,000 • Furniture ₹10,000 • Machinery ₹12,000 • Ram (Creditor) ₹6,000 • Shyam (Debtor) ₹9,000 • Rent ₹2,000 • Insurance ₹3,000 • Salaries ₹4,000 • Commission Received ₹2,000 • Discount Received ₹1,000	10	CO2	BT3

Part C: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13.a	Explain the purpose of maintaining a purchases book and sales book.	6	CO3	BT2
13.b	Prepare a **Cash and Bank Column Cash Book** in the books of Mr. Arun for January 2026: Jan 1 – Started business with cash ₹50,000 Jan 3 – Deposited into bank ₹20,000 Jan 5 – Purchased goods by cheque ₹8,000 Jan 8 – Received cheque from Ram ₹10,000 and deposited into bank Jan 12 – Withdrew from bank for office use ₹5,000 Jan 15 – Paid salaries in cash ₹4,000 Jan 20 – Paid rent by cheque ₹3,000	10	CO3	BT3
14.a	Describe the imprest system of petty cash book.	6	CO3	BT2
14.b	Prepare a Cash and Discount Column Cash Book for September 2026: Sep 1 – Started business with cash ₹70,000 Sep 3 – Purchased goods ₹10,000 Sep 6 – Sold goods to Amit ₹12,000 and received ₹11,700	10	CO3	BT3

	Sep 10 – Paid to Rohit ₹6,000 and received ₹300 discount Sep 15 – Received cash from Neha ₹4,000 Sep 20 – Paid wages ₹2,500			

Part D: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
15.a	Explain the types of errors in accounting with examples.	6	CO4	BT2
15.b	The Trial Balance did not agree and the difference was transferred to Suspense Account. Rectify the following errors: 1. Credit sales to Ramesh ₹3,000 were not recorded. 2. Furniture purchased ₹5,000 was debited to Purchases Account. 3. ₹1,000 paid to Suresh was posted as ₹100. 4. Sales book was overcast by ₹700. 5. Discount received ₹300 was not posted. 6. Cash received from Mohan ₹2,000 was not posted to his account.	10	CO4	BT3
16.a	Explain the meaning and features of a bill of exchange.	6	CO4	BT2
16.b	The Trial Balance showed a difference and Suspense Account was opened. Pass rectification entries: 1. Credit purchase from Ravi ₹2,500 was not recorded. 2. Purchases book was undercast by ₹600. 3. ₹1,200 paid to Anil was posted as ₹2,100. 4. Discount allowed ₹400 was not posted. 5. Sales of old furniture ₹3,000 was credited to Sales Account. 6. Cash paid to creditor ₹1,500 was not posted to his account. 7. Sales book was overcast by ₹900.	10	CO4	BT3

Part E: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17.a	Explain the purpose and structure of a trading account.	6	CO5	BT2
17.b	On Jan 01, 2015 Rao sold goods ₹ 10,000 to Reddy. Half of the payment was made immediately and for the remaining half Rao drew a bill of exchange upon Reddy payable after 30 days. Reddy accepted the bill and returned it to Rao. On the due date Rao Presented the bill to Reddy and received the payment. Journalise the above transactions in the books of Rao and prepare of Rao's account in the books of Reddy.	10	CO4	BT3
18.a	Explain the concept of gross profit, operating profit, and net profit.	6	CO5	BT2

<table>
<tr><td>18.b</td><td>On April 1, 2026, Mohan sold goods worth ₹20,000 to Sohan. Sohan paid ₹8,000 immediately and for the balance, Mohan drew a Bill of Exchange for 2 months. Sohan accepted the bill and returned it to Mohan. On the due date, Mohan presented the bill and received the payment.

Journalise the above transactions in the books of Mohan and prepare Mohan’s Account in the books of Sohan.</td><td>10</td><td>CO4</td><td>BT3</td></tr>
</table>

<table>
<tr><th colspan="5">Part F: Answer Any 1 Following Questions. 16 M</th></tr>
<tr><th>Qn.No</th><th>Questions</th><th>M</th><th>CO</th><th>BT</th></tr>
<tr><td>19.a</td><td>Summarize the steps in preparing financial statements of a sole proprietorship.</td><td>6</td><td>CO5</td><td>BT2</td></tr>
<tr><td>19.b</td><td>From the following Trial Balance of Mr. Arun, prepare Trading and Profit & Loss Account and Balance Sheet as on 31st March 2026.

<table>
<tr><td>Particulars</td><td>Debit (₹)</td><td>Credit (₹)</td></tr>
<tr><td>Capital</td><td>—</td><td>70,000</td></tr>
<tr><td>Drawings</td><td>10,000</td><td>—</td></tr>
<tr><td>Purchases</td><td>50,000</td><td>—</td></tr>
<tr><td>Sales</td><td>—</td><td>1,00,000</td></tr>
<tr><td>Salaries</td><td>12,000</td><td>—</td></tr>
<tr><td>Rent</td><td>6,000</td><td>—</td></tr>
<tr><td>Wages</td><td>10,000</td><td>—</td></tr>
<tr><td>Carriage Inwards</td><td>3,000</td><td>—</td></tr>
<tr><td>Cash</td><td>5,000</td><td>—</td></tr>
<tr><td>Debtors</td><td>20,000</td><td>—</td></tr>
<tr><td>Creditors</td><td>—</td><td>15,000</td></tr>
<tr><td>Furniture</td><td>19,000</td><td>—</td></tr>
</table>
Adjustments:

• Closing Stock = ₹15,000
• Outstanding Rent = ₹1,000
• Prepaid Salaries = ₹2,000</td><td>10</td><td>CO5</td><td>BT3</td></tr>
<tr><td>20.a</td><td>Explain the capital and revenue expenditure with examples.</td><td>6</td><td>CO4</td><td>BT2</td></tr>
<tr><td>20.b</td><td>From the following Trial Balance of Mr. Ramesh, prepare Trading and Profit & Loss Account and Balance Sheet as on 31st March 2026.

<table>
<tr><td>Particulars</td><td>Debit (₹)</td><td>Credit (₹)</td></tr>
<tr><td>Capital</td><td>—</td><td>80,000</td></tr>
<tr><td>Drawings</td><td>12,000</td><td>—</td></tr>
<tr><td>Purchases</td><td>60,000</td><td>—</td></tr>
<tr><td>Sales</td><td>—</td><td>1,20,000</td></tr>
<tr><td>Salaries</td><td>15,000</td><td>—</td></tr>
<tr><td>Rent</td><td>8,000</td><td>—</td></tr>
<tr><td>Wages</td><td>12,000</td><td>—</td></tr>
<tr><td></td><td></td><td></td></tr>
</table></td><td>10</td><td>CO5</td><td>BT3</td></tr>
</table>

Carriage Inwards	4,000	—
Cash	6,000	—
Debtors	25,000	—
Creditors	—	20,000
Furniture	22,000	—

Adjustments:

- Closing Stock = ₹18,000
- Outstanding Rent = ₹2,000
- Prepaid Salaries = ₹3,000

PTO (Please Turn Over)