



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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Mid - Term Examinations – December 2025

Date: 10 / 12/ 2025

Time: 10:00am – 11:30am

School: SOM-PG	Program: MBA	
Course Code: FIN4111	Course Name: Financial Accounting and Reporting	
Semester: I	Max Marks:50	Weightage:25%

CO – Levels	C01	C02	C03	C04	C05
Marks	16	34			

Instructions:

- Read all questions carefully and answer accordingly.
- Do not write anything on the question paper other than roll number.

Part- A

Answer ALL the Questions. Each question carries 3marks.

5Q x 3M=15 Marks

1	State any three objectives of accounting.	3 Marks	L1	C01
2	Which accounting principle is applicable to each of the following business scenarios, and why? a. Riya owns a small boutique. She records her income only when customers pay her and records expenses only when she actually pays them, even if the services were used earlier. b. Mr. Aman used ₹10,000 from his business account to pay his personal electricity bill. The accountant recorded this as "Drawings" instead of treating it as a business expense. c. ABC Ltd. purchased a building worth ₹15,00,000 and plans to use it for the next 10 years. The accountant recorded it as a fixed asset, not as an expense of the current year.	3 Marks	L1	C02
3	Explain the relevance of convention of conservatism.	3 Marks	L2	C02
4	During an audit, the accountant verifies whether cash sales were recorded in the correct account. Which part of accounting process does this relate to?	3 Marks	L1	C02
5	List out three types of errors which are reflected by trial balance.	3 Marks	L1	C01

Part- B

Answer the Questions

2Qx10M = 20 Marks

6.	<p>Pass Journal Entries for the following transactions in the books of <i>M/s. Priya Traders</i> for the month of April 2025: Apply</p> <ol style="list-style-type: none"> 1. Commenced business with cash ₹2,00,000. 2. Opened a bank account and deposited ₹50,000. 3. Purchased goods for cash ₹30,000. 4. Purchased goods on credit from Ramesh ₹40,000. 5. Sold goods for cash ₹25,000. 6. Sold goods on credit to Suresh ₹20,000. 7. Paid rent ₹5,000. 8. Paid salary ₹10,000. 9. Paid ₹20,000 to Ramesh by cheque. 10. Received ₹15,000 from Suresh in cash. 11. Bought furniture for office use ₹12,000 (cash). 12. Withdrew ₹5,000 from business for personal use 	10 Marks	L3	CO2
Or				
7.	<p>A) Prepare a bank Reconciliation statement from the following particulars: -</p> <ol style="list-style-type: none"> 1) Debit Balance as per bank column of the cash book Rs 37,20,000 2) Cheque issued to creditors but not yet presented to the bank for payment Rs 7,20,000 3) Dividend received by the bank but not yet entered in the cash book Rs 5,00,000 4) Interest allowed by the bank Rs 12500 5) Cheques deposited into the bank for collection but not yet collected by bank Rs 15,40,000 6) Bank Charges Rs 2000 7) A cheque deposited into bank was dishonored but no intimation received Rs 3,20,000 8) Bank has paid house tax on our behalf but no information received from the bank in this connection Rs 3,50,000 <p>B) From the following particulars ascertain the balance that would appear in the Bank Pass Book of ABC</p> <ol style="list-style-type: none"> 1) The bank overdraft as per Cash Book on 31st March 2025 Rs 6340 2) Interest on overdraft for 6 Months ending on 31st March 2025 Rs 160 is entered in Pass Book 3) Bank Charges of Rs 400 are debited in the Pass Book only 4) Cheques issued but not cashed prior to 31st March 2025 amounted to Rs 1168000 	10 Marks	L3	CO2

	5) Cheques paid into bank but not cleared before 31 st March 2025 were for Rs 2217000			
	6) Interest on Investments collected by the bank and credited in the Pass Book Rs 1200000			

8.	Prakash Ltd. Purchased a Machinery worth Rs.10,00,000 on 1 st April,2020. It has life of 5 years with zero salvage value. Assuming Company charges Depreciation on Reducing Balance Method @ 12% per annum calculate Depreciation, Accumulated Depreciation and Written Down Value of the machinery for all the five years.	10 Marks	L3	CO1
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Or

9.	<p>Karan starts business on 1st May 2025. Record the effects of the following transactions on the Accounting Equation.</p> <ol style="list-style-type: none"> Owner introduces cash capital ₹1,50,000. Deposits ₹60,000 of cash into the bank. Purchases inventory for cash ₹30,000. Purchases machinery on credit from TechCorp ₹40,000. Sells goods (cost ₹20,000) for cash ₹35,000. Sells goods (cost ₹10,000) on credit to Suresh for ₹15,000. Receives ₹8,000 from Suresh. Pays suppliers ₹15,000. Pays rent ₹4,000. Owner withdraws cash for personal use ₹10,000. <p>Show the effect on: Assets = Liabilities + Capital.</p>	10 Marks	L3	CO1
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Part- C

Answer the following questions

1Qx15M=15Marks

10.	From following trial balance of SIRA Limited as on 31 st December 2024, you are required to prepare a) Statement of Profit and Loss and b) Balance sheet	15 Marks	L4	CO2																																				
	<table><tr><th>Particulars</th><th>Dr. Amt</th><th>Cr. Amt</th></tr><tr><td>Building</td><td>16,00,000</td><td></td></tr><tr><td>Creditors</td><td></td><td>3,00,000</td></tr><tr><td>Purchases</td><td>6,00,000</td><td></td></tr><tr><td>Sales</td><td></td><td>24,00,000</td></tr><tr><td>Travelling expenses</td><td>40,000</td><td></td></tr><tr><td>Tax expense</td><td>80,000</td><td></td></tr><tr><td>Cash and bank</td><td>1,60,000</td><td></td></tr><tr><td>Dividend received</td><td></td><td>1,20,000</td></tr><tr><td>Employee benefit expenses</td><td>1,00,000</td><td></td></tr><tr><td>Interest expense</td><td>80,000</td><td></td></tr><tr><td>Mortgage loan</td><td></td><td>8,00,000</td></tr></table>				Particulars	Dr. Amt	Cr. Amt	Building	16,00,000		Creditors		3,00,000	Purchases	6,00,000		Sales		24,00,000	Travelling expenses	40,000		Tax expense	80,000		Cash and bank	1,60,000		Dividend received		1,20,000	Employee benefit expenses	1,00,000		Interest expense	80,000		Mortgage loan		8,00,000
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	Debentures		6,00,000				
	Equity share capital		4,00,000				
	Reserves and surplus		6,00,000				
	Rent expenses	60,000					
	Amortisation	1,20,000					
	Furniture	22,00,000					
	Income due but not received	1,80,000					
	Total	52,20,000	52,20,000				

******* BEST WISHES *******