

Roll No



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SET B**

**SCHOOL OF MANAGEMENT  
END TERM EXAMINATION - JAN 2024**

**Semester :** Semester I - 2023  
**Course Code :** COM2095  
**Course Name :** Business Accounting  
**Program :** BBA

**Date :** 17-JAN-2024  
**Time :** 1:00 PM - 4:00 PM  
**Max Marks :** 100  
**Weightage :** 50%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

**PART A**

**ANSWER ALL THE QUESTIONS**

**5 X 2M = 10M**

1. Identify any two objectives of accounting and briefly describe each objective. (CO1) [Knowledge]
2. Explain the concept of **double-entry bookkeeping**. Why is it crucial in accounting? (CO1) [Knowledge]
3. Explain the purpose of the Purchases Book and how it facilitates the recording of business transactions. (CO3) [Knowledge]
4. Explain the concept of provisions and reserves in accounting. Provide examples of situations where a business might create a provision and a reserve. (CO4) [Knowledge]
5. Define bills of exchange and discuss the features and needs of bills of exchange in business transactions. (CO4) [Knowledge]

**PART B**

**ANSWER ALL THE QUESTIONS**

**5 X 10M = 50M**

6. Discuss the advantages and limitations of accounting, considering the perspective of a small business owner. (CO1) [Comprehension]

7. Journalize the following transactions for XYZ Ltd. for the month of September 2023:

1. September 1, 2023: Initiated business operations by investing Rs. 1,80,000 in cash.
2. September 5, 2023: Purchased equipment on credit from DEF Inc. for Rs. 25,000.
3. September 10, 2023: Sold goods on credit to LMN Corporation for Rs. 28,000.
4. September 15, 2023: Paid salaries to employees amounting to Rs. 5,000.
5. September 20, 2023: Received cash from LMN Corporation on full settlement of account Rs. 25,000
6. September 25, 2023: Paid Rent Rs. 20,000, Electricity Bill Rs. 10,000.
7. September 30, 2023: Sold goods on credit to PQR Enterprises for Rs. 12,000.

(CO2) [Comprehension]

8. Enter the following transactions in a single column cash book of Mr. Adeel.

2022 November

1. Started business with cash Rs. 70,000
3. Purchased Goods in cash Rs. 5,000.
4. Sold goods Rs. 1,700 for cash
5. Cash received from Manzoor Alam Rs. 200.
12. Paid to Naima Kayani Rs. 150.
14. Bought furniture worth of Rs. 200.
16. Purchase machinery worth Rs. 20,000 for cash
20. Paid electricity charges Rs. 225.
24. Paid salaries Rs. 250.
28. Received commission Rs. 750.
30. Sale of Goods for cash Rs. 6,000

(CO3) [Comprehension]

9. Rectify the following Errors :

1. Telephone expenses of Rs. 2,500 wrongly debited to Mr. Sharma's account.
2. Purchase of stationery from XYZ Suppliers for Rs. 8,000 was incorrectly recorded in the sales book.
3. Withdrawal of goods worth Rs. 35,000 by the owner has not been recorded.
4. Rs. 40,000 paid for office computers has been debited to the office supplies account.
5. Salary payment of Rs. 30,000 for the IT department recorded in the utilities expense account.

(CO4) [Comprehension]

10. Revenue, Expenses and Gross Profit Balances of M/s ABC Traders for the year ended on 31st March

2022 were as follows:

- Gross Profit ` 4,20,000,
- Salaries ` 1,10,000,
- Discount (Cr.), ` 18,000,
- Discount (Dr.) ` 19,000,
- Depreciation ` 65,000,
- Legal Charges ` 25,000,
- Consultancy Fees ` 32,000,
- Audit Fees ` 1,000,
- Electricity Charges ` 17,000,
- Telephone, Postage and Telegrams ` 12,000,
- Stationery ` 27,000,

Prepare Profit and Loss Account of M/s ABC Traders for the year ended on 31st March, 2022.

(CO5) [Comprehension]

## PART C

### ANSWER ALL THE QUESTIONS

2 X 20M = 40M

11. From the following information, pass Journal entries post them into ledgers and prepare Trial Balance.

Sl No	Date	Particulars	Amount (Rs.)
1	1/4/2023	Started a business with cash	58,000
2	2/4/2023	Purchased goods on credit from Riya Traders	10,000
3	5/4/2023	Sold goods on credit to Shobha Enterprises	12,000
4	10/4/2023	Paid rent expense	2,000
5	15/04/23	Received payment from Shobha Enterprises	8,500
6	20/04/23	Purchased office Furniture	800

(CO2) [Application]

12. Mr. Mohan gives you the following trial balance and some additional information Related to his business:

#### Trial Balance as on 31st March 2022

	Dr.	Cr.
Capital		6,50,000
Sales		9,70,000
Purchases	4,30,000	
Opening stock	1,10,000	
Freights Inward	40,000	
Salaries	2,10,000	
Other Administration Expenses	1,50,000	
Furniture	3,50,000	
Bills receivables and Bills payables	2,10,000	1,90,000
Sales Returns & Purchase returns	20,000	12,000
Discounts paid & Discount received	19,000	9,000
Bad Debts	5,000	
Investments in Government Securities	1,00,000	
Cash in Hand	1,87,000	
	18,31,000	18,31,000

#### Additional Information:

1. Closing stock was ` 1,80,000.
2. Depreciate Furniture @ 10% p.a.
3. Outstanding salaries ` 10,000
4. Commission receivables ` 25,000

You are required to prepare the Trading and Profit and Loss Account for the year ended 31.3.2022 and Balance Sheet of Mr. Mohan as on that date.

(CO5) [Application]