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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE  
MID TERM EXAMINATION - OCT 2023**

**Semester :** Semester I - 2023

**Course Code :** BCH2001

**Course Name :** Sem I - BCH2001 - Basics of Financial Accounting

**Program :** BCC

**Date :** 31-OCT-2023

**Time :** 9:30AM - 11:00AM

**Max Marks :** 50

**Weightage :** 25%

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**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.
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**PART A**

**ANSWER ALL THE QUESTIONS**

**(5 X 2 = 10M)**

1. Explain Balance sheet and any two components of Balance sheet  
(CO1) [Knowledge]
2. Explain unit of production method depreciation methodology  
(CO1) [Knowledge]
3. Explain incomes statement and any two components of income statement.  
(CO1) [Knowledge]
4. Explain current assets and give two examples for current asset.  
(CO2) [Knowledge]
5. Explain depreciation and the purpose of depreciation  
(CO2) [Knowledge]

## PART B

### ANSWER ALL THE QUESTIONS

(2 X 10 = 20M)

6. Create journal entries for the following transactions
1. Harish started business with cash \$ 10000
  2. Bought goods from Manohar \$ 5000
  3. Purchase fittings for cash \$800
  4. Sold goods to Charanjeet \$. 1600
  5. Paid Manohar \$ 3000
  6. Sold goods Vadva Ram \$. 2000
  7. Received from Charanjeet \$ 1540 and allowed him discount \$. 60
  8. Paid wages \$ 80
  9. Bought goods for cash \$ 600
  10. Sold goods to Ramesh 3400

(CO1) [Comprehension]

7. Deri is a sole trader dealing in automobiles. From the following transactions, pass journal entries for the month of January, 2018.

1. Commenced business with cash 1,00,000  
with goods 2,00,000  
with buildings 5,00,000
2. Purchased goods from A and Co. on credit 3,00,000
3. Cash deposited into bank 80,000
4. Purchased goods from B and Co. and payment made through credit card 5,000
5. Paid A and Co. through RTGS (bank)
6. Sold goods to C and Co. and cheque received 50,000
7. Deposited the cheque received from C and Co. with the bank
8. Purchased goods from Z & Co. and paid through debit card 12,000
9. Stationery purchased for and paid through net banking 6,000
10. Income tax of Deri is paid by cheque 10,000

(CO2) [Comprehension]

## PART C

### ANSWER THE FOLLOWING QUESTION

(1 X 20 = 20M)

8. Prepare Journal entries and trial balance for the following
1. On October 1, 2023, ABC Consulting started the business by investing \$20,000 in cash.
  2. On October 2, 2023, the company purchased office equipment for \$5,000, paying \$2,000 in cash, and the rest on credit.
  3. On October 5, 2023, the company provided consulting services to a client and received \$3,000 in cash.
  4. On October 10, 2023, ABC Consulting paid \$1,500 for rent.
  5. On October 15, 2023, the company borrowed \$7,000 from a bank.

(CO2) [Application]