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**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF MANAGEMENT
MID TERM EXAMINATION - NOV 2023**

Semester : Semester I - 2023

Course Code : COM2095

Course Name : Sem I - COM2095 - Business Accounting

Program : BBA

Date : 3-NOV-2023

Time : 9:30AM - 11:00AM

Max Marks : 50

Weightage : 25%

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 2 = 10M)

1. Define the term "Accounting" and explain its primary purpose in the world of business and finance.
(CO1) [Knowledge]
2. Define a "Liability" in accounting terms and provide examples of different types of liabilities that a company might have on its balance sheet.
(CO1) [Knowledge]
3. Define an "Asset" in accounting terms and give three examples of assets commonly found on a company's balance sheet.
(CO1) [Comprehension]
4. Outline the role of shareholders and creditors as users of accounting information and discuss their specific information needs.
(CO2) [Comprehension]
5. List any two advantages and limitations of accounting.
(CO2) [Comprehension]

PART B

ANSWER ALL THE QUESTIONS

(2 X 10 = 20M)

6. Picture yourself as the manager of a rapidly growing tech startup. As you prepare for an important meeting with potential investors, you recognize the need for accurate financial data and analysis to secure funding. Would you prioritize hiring a bookkeeper or an accountant for this critical task? Explain the distinctions between the roles and functions of these professionals. Distinguish between bookkeeping and accounting, providing a comprehensive analysis of their contrasting roles and functions.
(CO1) [Comprehension]

7. The following balances are extracted from the books of Amar a merchant of Mumbai. prepare trial balance as on 31st of December 2023.

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Owner's Capital	55000	Drawings	5000
Furniture	12000	Charitable Donations	1000
Machinery	7500	Rent Received	4000
Inventory	8000	Insurance Paid	1200
Cash in hand	15000	Salaries	6000
Cash at Bank	25000	Miscellaneous Expenses	2500
Accounts Receivable	10000	Creditor	12000
Accounts Payable	6000	Sales Revenue	70000
Loan Payable	18000	Interest Income	11300
Rent Expense	3000		
Utilities Expense	1500		

(CO2) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

(1 X 20 = 20M)

8. From the following transactions pass journal entries and transfer them to Ledger Accounts.

Sl No	Date	Particulars	Amount (Rs.)
1	1/4/2023	Started a business with cash	50,000
2	2/4/2023	Purchased goods on credit from ABC Traders	10,000
3	5/4/2023	Sold goods on credit to XYZ Enterprises	12,000
4	10/4/2023	Paid rent expense	2,000
5	15/04/23	Received payment from XYZ Enterprises	8,000
6	20/04/23	Purchased office supplies	500
7	25/04/23	Paid electricity bill	3,000
8	30/04/23	Purchased equipment on credit from DEF Inc	20,000
9	1/5/2023	Borrowed money from HDFC Bank	5,000
10	5/5/2023	Sold goods on credit to LMN Corporation	15,000
11	10/5/2023	Paid salaries	4,000
12	15/05/23	Received Commission	10,000
13	20/05/23	Repaid a portion of the bank loan	2,000
14	25/05/23	Sold goods	7,000
15	30/05/23	withdrew for personal use	9,000
16	30/05/23	Rent Received	10,000

(CO2) [Comprehension]