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**Presidency University**

**Bengaluru**

 **SCHOOL OF COMMERCE**

**Make-Up Examinations, July 2024**

**Semester**: I

**Course Code**: COM2095

**Course Name**: Business Accounting

**Program** : BBA

**Date**12-07-2024

**Time**: 01.30pm to 04.30pm

**Max Marks**: 100

**Weightage**: 50%

 **Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE Questions. (5 Q x 2 M = 10 M)**

1. Explain the concept of **double-entry bookkeeping**. Why is it crucial in accounting? (C.O.No.1) [Knowledge]

2. Explain the meaning of Trial Balance and what information does it provide?

 (C.O.No.1) [Knowledge]

3. Explain the purpose of a Petty Cash Book and discuss its significance in maintaining financial records. (C.O.No.2) [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. (C.O.No.4) [Knowledge]

5. Distinguish between capital and revenue receipts. Provide examples of each type of receipt. (C.O.No.4) [Knowledge]

6. Define the term "Accounting" and explain its primary purpose in the world of business and finance. (C.O.No.1) [Knowledge]

7. Explain the meaning of Journal and Ledger? (C.O.No.2) [Knowledge]

**Part B**

**Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

8. 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. (C.O.No.1) [Comprehension]

9. Explain the following accounting principles, providing a clear understanding of their significance in financial reporting and decision-making:

1. Accrual Basis Accounting
2. Going Concern Principle
3. Matching Principle
4. Full Disclosure Principle
5. Historical Cost Principle

 (C.O.No.1) [Comprehension]

10. Discuss the advantages and limitations of accounting, considering the perspective of a small business owner.

 (C.O.No.1) [Comprehension]

11. Record the necessary journal entries for the following business transactions in the books of ABC Enterprises for the month of July 2023:

1. July 1, 2023: Started the business with cash amounting to Rs. 110,000.
2. July 5, 2023: Purchased goods on credit from XYZ Suppliers for Rs. 25,000.
3. July 10, 2023: Sold goods on credit to ABC Corporation for Rs. 25,000.
4. July 15, 2023: Paid rent expense of Rs. 2,500.
5. July 20, 2023: Received payment Rs. 23,000 (on full settlement of account) from ABC Corporation for the earlier credit sale of Rs. 25,000.
6. July 25, 2023: Purchased Equipment for Rs. 10,000.
7. July 30, 2023: Obtained a loan from LMN Bank amounting to Rs. 10,000.

 (C.O.No.2) [Application]

12. Write up Sharjeel Siraj Khan’s single column cash book for the month of April 2015, from the following.

|  |  |  |
| --- | --- | --- |
| **Date** | **Particulars** | **Amount in Rs** |
| 1 | Cash in hand  | 1,650 |
| 2 | Cash sales  | 16,000 |
| 3 | Paid via cheque to creditors | 4,000 |
| 4 | Wages paid in cash  | 2,250 |
| 4 | Cash sales  | 18,000 |
| 9 | Paid cash to Suresh  | 420 |
| 11 | Paid salaries by cash  | 2,850 |
| 14 | Cash received from Mallika  | 3,000 |
| 17 | Paid cash for repair expenses | 360 |
| 19 | Cash Sales | 11,400 |
| 21 | Paid office expense  | 180 |
| 25 | Paid rent and taxes  | 3,600 |

 (C.O.No.3) [Application]

13. Rectify the following Errors:
(1) Rs. 90,000 paid for a delivery van purchased has been debited to the maintenance and repairs account.
(2) Payments of Rs. 18,000 to the security staff for overtime were recorded in the office supplies account.
(3) Goods sold to ABC Corporation for Rs. 25,000 not recorded.
(4) Rs. 14,200 received from Ankit has been credited to Ankur's account.
(5) Internet expenses of Rs. 3,000 wrongly debited to Mrs. Gupta's account. (C.O.No.4) [Application]

14. 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. (C.O.No.4) [Application]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

15. 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 | 350,000 |
| 2 | 2/4/2023 | Purchased goods on credit from Anand Traders | 60,000 |
| 3 | 5/4/2023 | Sold goods on credit to Orchid Enterprises | 55,000 |
| 4 | 10/4/2023 | Paid rent expense | 22,000 |
| 5 | 15/04/23 | Received payment from Orchid Enterprises | 55000 |
| 6 | 20/04/23 | Purchased Machinery | 8000 |

 (C.O.No.2) [Application]

16. Shri Mittal gives you the following Trial Balance and adjustments:

**Trial Balances as on 31st March 2021**

|  |  |  |
| --- | --- | --- |
| **PARTICULARS** | **DEBIT** | **CREDIT** |
| Capital |   | 8,70,000 |
| Purchases and Sales  | 6,05,000 | 12,10,000 |
| Opening stock | 72000 |   |
| Bills receivables and Bills payables  | 90000 | 1,70,000 |
| Bank Loan |   | 200000 |
| Creditors |   | 1,12,000 |
| Salaries | 2,70,000 |   |
| Advertisements  | 1,10,000 |   |
| Indirect expenses | 60000 |   |
| Sales Returns & Purchase returns | 40000 | 30000 |
| Furniture  | 4,50,000 |   |
| Building | 8,90,000 |   |
| Cash in Hand | 5000 |   |
| TOTAL | 25,92,000 | 25,92,000 |

**ADJUSTMENTS:**

1. Closing stock on 31st March 2011 was valued at ` 1,00,000.
2. Depreciation on furniture 10 %
3. Outstanding wages 10,000
4. Commission receivable 20,000

Prepare Trading & Profit and Loss account and Balance sheet for the year ending 31/03/2021. (C.O.No.5) [Application]

17. 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 |

 (C.O.No.2) [Application]