



Brainware University
Library
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – B.Com.(AFB)-Hons]-2023/B.Com.(AFB)-Hons]-2024

Course Name – Basic Accounting

Course Code - BBF10101

(Semester I)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Identify the scope of accounting in government organizations.
 - a) Government organizations do not use accounting
 - b) Accounting helps in national progress and regress
 - c) Government organizations use accounting to manage budgets
 - d) Accounting is only used in businesses
- (ii) Identify the role of drawings in accounting.
 - a) Drawings represent the capital invested in the business
 - b) Drawings are profits earned by the business
 - c) Drawings are expenses incurred by the business
 - d) Drawings are assets owned by the business
- (iii) Identify the significance of the matching concept in accounting.
 - a) It helps in finding accurate profit for a period
 - b) It helps in finding the cost of assets
 - c) It helps in reducing expenses
 - d) It helps in maximizing revenue
- (iv) Identify purchase of Office equipments on cash are recorded on which of the following sides of a cash book
 - a) Payments
 - b) Expenses
 - c) Revenue
 - d) Rent
- (v) Identify which of the following should be entered in the Purchases Journal
 - a) Discounts received
 - b) Purchases invoices
 - c) Payments to suppliers
 - d) Trade discounts
- (vi) Relate the concept of revenue realization to the timing of income recognition.
 - a) Revenue realization concept helps determine when income is realized
 - b) Revenue realization concept is not related to income recognition
 - c) Revenue realization concept is used for expense recognition
 - d) Revenue realization concept is about maximizing revenue

(vii) Summarize the role of accounting conventions in ensuring accurate financial reporting.

- | | |
|---|---|
| a) Accounting conventions provide rules for preparing financial reports | b) Accounting conventions are not necessary for financial reporting |
| c) Accounting conventions create confusion in financial statements | d) Accounting conventions help in hiding financial information |

(viii) Explain the significance of materiality in accounting.

- | | |
|--|---|
| a) Materiality ensures that all information is disclosed in financial statements | b) Materiality determines which information is important enough to be disclosed |
| c) Materiality encourages businesses to hide information from stakeholders | d) Materiality is not relevant in accounting |

(ix) Select the correct answer to fill the blank : Interest earned is an example of _____

- | | |
|---------------------|----------------------------|
| a) personal account | b) real account |
| c) nominal account | d) Intangible real account |

(x) Select the correct answer to fill the blank : Investment is an example of _____.

- | | |
|---------------------|------------------|
| a) personal account | b) real account |
| c) nominal account | d) none of these |

(xi) Determine the purpose of the going concern concept in accounting.

- | | |
|--|--|
| a) It assumes that a business will continue to operate in the foreseeable future | b) It assumes that a business will shut down soon |
| c) It assumes that a business operates only for profit | d) It assumes that a business is always in financial trouble |

(xii) Interpret the consistency convention with the comparability of financial statements.

- | | |
|---|---|
| a) Consistency convention helps maintain uniformity and understandability in financial statements | b) Consistency convention encourages businesses to change their accounting practices frequently |
| c) Consistency convention is not relevant to financial statements | d) Consistency convention is only applied in auditing |

(xiii) Choose the odd one in terms of Assets -

- | | |
|-----------------------|------------------|
| a) Goodwill | b) Furniture |
| c) Outstanding Salary | d) Closing Stock |

(xiv) Choose the correct answer : Historical cost concept requires the valuation of an asset at

- | | |
|-------------------------|----------------------|
| a) Original cost | b) Replacement value |
| c) Net realizable value | d) Market value |

(xv) Choose the correct answer : Balance sheet is a statement of

- | | |
|------------|-----------------|
| a) Assets | b) Liability |
| c) Capital | d) All of these |

Library
Brainware University
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Group-B
(Short Answer Type Questions)

3 x 5=15

2. Describe the modern rules of Accounting. (3)
3. Define Contra entries with examples. (3)
4. Explain Conservatism Convention and Consistency Convention. (3)
5. Illustrate the Adjustment of Bad Debts in Final Accounts with journal entry and also mention the treatment in financial statements. (3)
6. On 5th July 2023 Amit sold goods to Bikash of Rs. 50000 and allowed @10% trade discount and Bikash can get cash discount @5% if he pays the bill amount within 5 days. Bikash clear the bill amount in full settlement on 8th July 2023. Summarized this transaction with the required journal entries in the books of Bikash. (3)

OR

Pepsi India Ltd. purchased 20,000 kgs. of oranges from farmers of Hosierpur @ ₹ 10 per kg. Orange collecting agents' commission were paid @ ₹ 1 per kg. ₹ 8,000 were paid for lorry (3)

hire charges for transporting it to Noida Plant. 5% of the oranges were damaged in transit and discarded. This loss is a normal loss. Estimate the cost of purchase per kg. of orange.

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Jaya Singh is a sole proprietor having a store. Following are the transactions during the month of January, 2023. Record the Journal entries. Jan 1 Commenced business with cash 80,000; Jan 2 Deposited cash with bank 40,000; Jan 3 Purchased goods by paying cash 5,000; Jan 4 Purchased goods from Lipton & Co. on credit 10,000; Jan 5 Sold goods to Joy and received cash 11,000; Jan 6 Paid salaries by cash 5,000; Jan 7 Paid Lipton & Co. by cheque 10,000; Jan 8 Bought furniture by cash 4,000; Jan 9 Paid electricity charges by cash 1,000; Jan 10 Bank paid insurance premium on furniture as per standing instructions 300. (5)
8. Prepare Double Column Cash Book of Mr. Pradhan from the following transactions and balance the book on 31st Jan., 2023: Jan. 1 Cash in hand ₹ 50,000; Bank overdraft ₹ 1,90,000. Jan. 2 Purchased goods from Rajesh Kumar of the list price of ₹ 50,000 at 5% trade discount and payment made by cheque. Jan. 6 Goods sold for ₹ 80,000 and payment received by cheque. Cheque deposited into Bank on same day. Jan. 10 Goods purchased for cash ₹ 19,800. Jan. 15 Furniture sold for ₹ 1,77,000 and payment received by cheque & cheque deposited into Bank on same day. Jan. 18 Salaries paid ₹ 4,500. Jan. 21 Settled the amount due to Ram ₹ 2,000 by paying cash ₹ 1,910. Jan. 22 Cash received from Jai ₹ 14,780 in full settlement of his account of ₹ 15,000. Jan. 23 Paid Life Insurance premium ₹ 1,500. Jan. 31 Deposited with bank the entire balance after retaining ₹ 7,000 cash in hand. (5)
9. Classify the following items under capital expenditure or revenue expenditure or deferred revenue expenditure. Prasad Pictures Ltd. constructed a cinema house and incurred the following expenditures during the year ended 31.03.2021. i. Second hand furniture purchased worth Rs.3,00,000. ii. Expenses in connection with obtaining a license were Rs.30,000. iii. Fire insurance, Rs.2500 was paid on 1st January 2013 for one year. iv. During the first week after the release of the cinema, free tickets worth Rs.30,000 were distributed to increase the publicity of the cinema house. v. The manager's salary for the year was Rs.60,000. (5)
10. From the following particulars, prepare a balance sheet of Ms. Jaya as at 31st March 2022 (5)
Land and Building ₹3,00,000; Loan from Bank ₹4,00,000; Outstanding Expenses ₹1,200; Drawings ₹72,000; Net Profit ₹43,000; Investments ₹1,50,000; Computers ₹70,000; Furniture ₹55,000; Creditors ₹80,000; Debtors ₹72,000; Closing Stock ₹1,25,000; Bills Receivable ₹15,500; Bills Payable ₹25,300; Cash in Hand ₹ 15,700; Prepaid Expenses ₹3,600; Capital ₹4,50,200; Bank ₹16,000; Machinery ₹85,000; Motor Car ₹22,200; Income Received in Advance ₹2,300.
11. Differentiate between LIFO and FIFO method of Inventory valuation. (5)
12. Measure the following adjustment and their treatment in Final Accounts: (i) Loss of stock by fire (ii) Goods given away as charity and samples. (iii) Goods were taken by the proprietor for personal use. (5)

OR

Prepare Trial Balance from the following details – Cash - ₹5,000; Trade Receivables - ₹10,000, Trade Payables - ₹ 15,000, Capital - ₹2,000, Reserve - ₹ 3,000, Fixed Assets - ₹ 20,000, Current Liabilities - ₹ 30,000 Current Assets - ₹ 10,000, Liquid Assets - ₹ 5,000. (5)

Brainware University
Library
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125