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**BRAINWARE UNIVERSITY**

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**Term End Examination 2024-2025**  
**Programme – BBA(HM)-Hons-2023/BBA(HM)-Hons-2024**  
**Course Name – Fundamentals of Accounting**  
**Course Code - BHM20002**  
**( Semester II )**

**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 basis of accounting
  - a) Cash Basis
  - b) Accrual Basis
  - c) Hybrid or Mixed Basis
  - d) all of these
- (ii) Differentiate between tangible and intangible assets.
  - a) Tangible assets can be touched, intangible assets cannot
  - b) Tangible assets cannot be touched, intangible assets can
  - c) Tangible assets are more valuable
  - d) Intangible assets are physical in nature
- (iii) Give an example of an intangible asset.
  - a) Land and Building
  - b) Patents and Trademarks
  - c) Cash in Hand
  - d) Furniture and Fixture
- (iv) Compare the concepts of debtors and creditors.
  - a) Debtors owe money to the business, creditors are owed money by the business
  - b) Debtors are owned by the business, creditors own the business
  - c) Debtors and creditors are the same thing
  - d) Debtors and creditors are not relevant in accounting
- (v) Explain the concept of capital in accounting.
  - a) Capital is the money owed by the business
  - b) Capital is the total assets minus liabilities
  - c) Capital is the value of goods sold
  - d) Capital is the profit earned by the business
- (vi) Illustrate the concept of assets in accounting.
  - a) Assets are debts owed by the business
  - b) Assets are goods the business sells

- c) Assets are valuable things owned by the business
- (vii) Choose the correct example of a transaction.
- a) Attending a business seminar
  - c) Going for a company hike
- (viii) Choose the correct answer: All indirect expenses are charged against \_\_\_\_\_
- a) Trading Account
  - c) Manufacturing Account
  - b) Profit and Loss Account
  - d) None of these
- (ix) Choose which of the following is correct .
- a) Profit reduces capital
  - c) Profit Increases Capital
  - b) Capital Can only come from Profit
  - d) Profit does not alter capital
- (x) Choose the reason of preparing trial balance.
- a) To check the arithmetical accuracy of the ledger balances
  - c) To provide information for preparing
  - b) To provide information for preparing balance sheet
  - d) All of these
- (xi) Choose the nature of the given balances: Creditors, Bills payable.
- a) Liabilities
  - c) Incomes
  - b) Assets
  - d) Expenses
- (xii) Select the correct component of trading account.
- a) Sales
  - c) Direct operating expenses
  - b) Purchases
  - d) All of these
- (xiii) Choose the primary function of accounting.
- a) Recording of transaction
  - c) Preparation of Trial Balance
  - b) Preparation of Ledger
  - d) Preparation of Balance Sheet
- (xiv) Select which is considered as a part of nominal account as per the golden rule of accounting.
- a) Expenses
  - c) Income
  - b) Loss
  - d) All of these
- (xv) Choose the meaning of capital.
- a) Cash bringing into the business by the owner
  - c) Both of these
  - b) Assets bringing into the business by the owner
  - d) Cash sales

### Group-B

(Short Answer Type Questions)

3 x 5=15

2. Describe the following accounting concepts: Going concern & Cost. (3)
3. Explain the concept of IGST. (3)
4. Illustrate the components of cash flow statement. (3)
5. Define the term Capital expenditure. (3)
6. Recommend the journal entries of the following transactions without mentioning any narration: • Building has been purchased through cash Rs. 50000 • Salaries paid to the employees in cash Rs. 2000 • Goods sold to Virat in credit Rs. 10000 • Cash paid for buying a computer Rs. 35000 • Cash received from Vinay Rs. 8000 (3)

OR

Consider the following transactions for the purpose of preparing journal in the books of Orange (3) Ltd. for the month of August 2020: • Goods purchased in cash Rs. 2000, • Wages paid in cash



Rs. 1000, • Furniture purchased in cash Rs. 15000, • Cash paid to Aakash Rs. 10900, • Goods sold to Arvindra Rs. 9000

**Group-C**  
(Long Answer Type Questions)

5 x 6=30

7. Differentiate between accounting concept & accounting convention. (5)
8. Show a Trial Balance based on the following ledger accounts in the books of XYZ Ltd. as on 31.12.2022. Sales Rs. 100000, Dividend Rs. 2000, Interest received Rs. 1900, Carriage Rs. 900, Interest paid Rs. 3900, Opening stock Rs. 20000, Purchase Rs. 60000, Wages Rs. 2700, Loan Rs. 50000, Capital Rs. 29000, Machinery Rs. 45000, Rent Rs. 6900, Stationaries Rs. 6700, Bad debts Rs. 450, Car Rs. 200000, Debtors Rs. 32000, Creditors Rs. 45000, Reserves Rs. 400000, Investment Rs. 249350. (5)
9. prepare Profit and Loss account of Mr. Anuj Kumar from the following particulars for the year ended March 31, 2021: Gross Profit ₹4,50,000 Commission Received ₹40,000 Rent, tax, and Insurance ₹10,000 Export Duty ₹15,000 Rent Received ₹20,000 Discount Received ₹24,000 Audit Fees ₹5,000 Dividend Received ₹16,000 Depreciation ₹24,000 Administration Expenses ₹35,000 Selling Expenses ₹25,000 Printing and Stationery ₹15,000 Distribution Expenses ₹28,000 Office Expenses ₹32,000 Trade Expenses ₹50,000 General Expenses ₹25,000 Carriage outward ₹15,000 (5)
10. Illustrate the limitations of computerized accounting system. (5)
11. Prepare a trading account for the financial year concluding on 31st March 2023 of Dutta Brothers & Co, using the provided account balances: Opening Stock: Rs. 80,000 Purchases: Rs. 4,00,000 Sales: Rs. 10,00,000 Sales Return: Rs. 40,000 Purchases Return: Rs. 24,000 Carriage on Purchases: Rs. 16,000 Freight: Rs. 13,000 Carriage on Sales: Rs. 20,000 Wages: Rs. 60,000 Factory Rent: Rs. 24,000 Factory Lighting: Rs. 21,600 Office Rent: Rs. 15,000 Coal, Gas, and Water: Rs. 4,400 Import Duty: Rs. 64,000 Closing Stock: Rs. 1,20,000 (5)
12. From the following particulars, evaluate the position of the business by drawing a balance sheet of Ms. Jaya as at 31st March 2022 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. (5)

**OR**

From the following particulars, evaluate the position of the business by drawing a balance sheet of Mr.Vardhan as at 31st March 2022 Capital ₹44,000 Investment ₹20,000 Drawings ₹8,400 Debtors ₹6,400 Creditors ₹4,200 Loan From Vijay ₹20,000 Cash in hand ₹360 Cash at bank ₹7,200 Furniture ₹3,700 Plant ₹10,000 Net profit ₹1,660 General reserve ₹1,000 Closing stock ₹14,800 (5)

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