



# BRAINWARE UNIVERSITY

Term End Examination 2023-2024

Programme – BBA(HM)-Hons-2023

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 main purpose of accounting.
  - a) To record all business transactions
  - b) To communicate with customers
  - c) To create advertising campaigns
  - d) To produce goods and services
- (ii) Identify which one of these are not external users of financial information
  - a) Creditors
  - b) Investors
  - c) Managers
  - d) Government
- (iii) Identify which of the following is not a type of liability
  - a) Short term
  - b) Current
  - c) Fixed
  - d) Long term
- (iv) Identify the change in the capital A/c of proprietor may occur due to
  - a) Profit earned
  - b) Loss incurred
  - c) Capital Introduced
  - d) All of these
- (v) 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
- (vi) Give an example of a financial transaction.
  - a) Organizing a company picnic
  - b) Holding a team-building workshop
  - c) Writing a thank-you letter to a client
  - d) Buying office supplies for cash
- (vii) Show the role of conservatism in accounting.
  - a) Conservatism aims to anticipate all prospective profits and provide for all possible losses
  - b) Conservatism aims to hide losses and inflate profits

- c) Conservatism encourages risk-taking in business
- d) Conservatism is not relevant in accounting
- (viii) 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
- (ix) Choose the full form of GSTIN.
- a) Goods and Services Tax Identification Number
- b) Goods and Services Tax Identity Number
- c) Goods and Services Tax Integrated Number
- d) None of the above
- (x) Give an example of a profit.
- a) Revenue equal to expenses
- b) Expenses exceeding revenue
- c) Revenue exceeding expenses
- d) Expenses unrelated to revenue
- (xi) Select the correct answer to fill the blank: Trial balance is used to check the accuracy of \_\_\_\_\_
- a) Balance sheet balances
- b) Ledger accounts balances
- c) Cash flow statement balances
- d) Income statement balances
- (xii) Choose the correct statement-
- a) Assets + Liabilities = Capital
- b) Liabilities + Capital = Assets
- c) Capital + Assets = Liabilities
- d) Liabilities - Capital = Asset
- (xiii) Choose the correct answer to fill the blank : The comparison of financial statement of one year with that of another is possible only when -----concept is followed
- a) Going concern
- b) Accrual
- c) Consistency
- d) Matching
- (xiv) Choose the odd one in respect of expenses -
- a) Wages
- b) Rent Payable
- c) Salaries
- d) Carriage
- (xv) Calculate the gross profit for a business given the following information: Sales = 50,000, Cost of Goods Sold = 30,000.
- a) 20000
- b) 30000
- c) 50000
- d) 80000

### Group-B

(Short Answer Type Questions)

3 x 5=15

2. Define Tangible and Intangible Assets with example (3)
3. Describe the Golden Rules of Accounting. (3)
4. Differentiate between Journal and Ledger. (3)
5. Explain Outstanding Expenses and its treatment in Financial Statements. (3)
6. Differentiate between Trade Discount & Cash Discount. (3)

OR

Explain the objectives of preparation of Final Accounts. (3)

### Group-C

(Long Answer Type Questions)

5 x 6=30

7. Explain the causes of Depreciation. (5)
8. Illustrate the advantages and disadvantages of double entry system. (5)

9. From the following particulars, evaluate the position of the business by drawing a balance sheet of Mr. Dev as at 31st March 2022: Capital ₹2,59,000; creditors ₹52,000; Cash in Hand ₹49,000; Outstanding Expenses ₹25,000; Cash at Bank ₹30,000; Drawings ₹10,000; Investments ₹15,000; Net Profit ₹70,000; Bank Overdraft ₹13,000; Closing Stock ₹20,000; Fixed Assets ₹ 2,94,000; Bills Payable ₹24,000; Debtors ₹25,000. (5)
10. Record the journal entries for the following transactions of Green Grocers for January 2024: (5)  
January 1: Purchased a new refrigerator for store use on credit from Khosla Electronics ₹20,000. January 2: Made cash payment for goods purchased from the market ₹10,000. January 3: Received loan from a bank for expansion of the business ₹100,000. January 4: Paid Broadband bills through bank transfer ₹4,500. January 5: Sold goods to Akash on credit ₹12,000.
11. Differentiates between Provision and Reserve. (5)
12. Categorize the types of supply under GST based on their tax treatment. (5)

**OR**

Organize the Trial Balance for Ms. Fathima as of 31.03.2023 using the provided balances. (5)  
Drawings, ₹74,800; Stock (1.4.2022), ₹30,000; Capital, ₹2,50,000; Furniture, ₹33,000; Sundry Creditors, ₹75,000; Printing Charges, ₹1,500; Bank Loan, ₹1,20,000; Freight, ₹3,500; Income Tax, ₹9,500; Machinery, ₹2,15,400; Purchases, ₹2,95,700; Discount Received, ₹1,000; Discount Allowed, ₹950; Sales, ₹3,35,350; Rent, ₹72,500; Sundry Expenses, ₹21,000; Bills Receivable, ₹52,500; Carriage Outwards, ₹1,500; Insurance, ₹1,200; Bills Payable, ₹31,700.

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