2025/06

SET A

BACHELOR OF COMMERCE
SECOND SEMESTER [REPEAT]
FUNDAMENTALS OF ACCOUNTING
BCM – 921 [IDMj]
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Objective

Time: 30 mins. **Marks: 20**

Choose the correct answer from the following: ***1×20=20***

1. What is accounting?
   a. Art of recording financial transactions
   b. Science of Financial analysis
   c. Process of Budgeting
   d. Methods of auditing

2. Who are the internal users of accounting information?
   a. Management and employees
   b. Investors, creditors and government.
   c. Customers and suppliers
   d. Competitors and financial analysts

3. What is the meaning of Revenue?
   a. An expense incurred
   b. A liability owed
   c. An asset owned
   d. Income earned from business operation.

4. What is the accounting concept that requires separating business and personal transactions?
   a. Accounting entity concept
   b. Going concern concept
   c. Monetary unit concept
   d. Dual aspect concept

5. Which book is called the book of original entry?
   a. Ledger
   b. Journal
   c. Trial Balance
   d. Cash Flow Statement

6. The rule for Nominal Account is:
   a. Debit all expenses and losses, Credit all incomes and gains.
   b. Debit what comes in and Credit what goes out.
   c. Debit the receiver, credit the giver.
   d. None of the above

7. Sales made on credit are recorded in the:
   a. Purchase Book
   b. Cash Book
   c. Sales Book
   d. Journal Proper

8. Return of goods to suppliers is recorded in:
   a. Sales Book
   b. Cash Book
   c. Journal Proper
   d. Purchase Return Book

9. Trial Balance is prepared from:
   a. Journal Entries
   b. Ledger Balances
   c. Cash Book
   d. Bank Statement

10. If the Trial Balance does not tally, the difference is transferred to:
   a. P/L Account
   b. Capital Account
   c. Suspense Account
   d. Cash Account

11. Depreciation is charged on:
   a. Current Assets
   b. Investments
   c. Cash
   d. Fixed Assets

12. Capital Reserves can be used for:
   a. Paying dividends
   b. Day to day expenses
   c. Writing off Capital losses
   d. Paying Interest

13. What is the purpose of a Balance Sheet?
   a. To record transactions
   b. To show profitability
   c. To show financial position
   d. To calculate tax

14. Which item appears in the trading account?
   a. Rent
   b. Carriage Inward
   c. Salaries
   d. Commission

15. Closing Stock is shown in..................
   a. Trading A/c only
   b. Profit & Loss A/c only
   c. Balance Sheet only
   d. Both Trading A/c and Balance Sheet

16. Outstanding Rent is shown on the...............
   a. Liability side
   b. Asset side
   c. Debit side of Profit and Loss A/c
   d. Credit side of trading A/c

17. Cost Accounting is mainly concerned with...................
   a. Recording of transactions
   b. Financial Statements
   c. Analysis and control of cost
   d. Budgeting only

18. Indirect materials are:
   a. Directly traceable to a cost unit
   b. Not directly traceable to a cost unit
   c. Major part of prime cost
   d. Fixed cost

19. Batch costing is applied in industries....................
   a. Engaged in construction industries
   b. Engaged in service industries
   c. Where distinct products are produced
   d. Where identical products are produced

20. Which of the following is a component of total cost?
   a. Fixed cost
   b. Variable Cost
   c. Semi- Variable Cost
   d. All of the above

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(Descriptive)

Time : 2 Hr. 30 Mins. Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Define Accounting and explain some of its major characteristics. Discuss the main objectives of accounting. 2+4+4=10

2. Enter the following transactions in a triple column cashbook and balance the same: 10

2025

March 1	Cash in hand Rs. 3000/- and Balance at bank Rs. 36000/-
March 5	Cash sales Rs. 10000/-and Discount allowed Rs. 200/-
March 8	Deposited in bank Rs. 9000/-
March 9	Rent paid by cheque Rs. 3000/-
March 14	Received cheque Rs. 8000/- from Mr. Dutta which is deposited into bank
March 18	Paid by cheque to Mr. Das Rs. 6900/- in full settlement of a claim for Rs. 7000
March 22	Withdrew Rs. 2000/- from bank for office use and Rs. 1100/- for personal use.
March 28	Salaries paid Rs. 4000/-

3. a) Explain the meaning of Depreciation. Mention any three important features of depreciation. 2+3+5=10
   b) Explain briefly the different causes of depreciation.

4. Enter the following transactions in the Journal of Mr. GOOGLE: 2×5=10
   January, 2025:
   01- Sold goods to PLAYSTORE Rs. 9,000;
   09- Received an account payee cheque from PLAYSTORE Rs. 2,000;
   12- Received another cheque from PLAYSTORE on account Rs. 3,000;
   13- Deposited the cheque received on January 12 in the Bank;
   16- Purchased furniture from PHONEPE Rs. 5,000;

5. Prepare a Trial Balance from the following balances of Sri. Keshav Chand & Gopal Chand as at 31st March, 2025. 10

Name of Accounts	Amt. (Rs.)	Name of Accounts	Amt. (Rs.)
Opening Stocks	20,000	Discount Credit	710
Purchases	85,000	Furniture	6000
Purchases Return	5000	Machinery	62,000
Sales	1,60,000	Debtors	36,000
Sales Return	6,200	Creditors	12,750
Rent	1,200	Bills Receivable	4,600
Salaries	5,700	Bills Payable	2,500
Advertisement	880	Cash In Hand	5,220
Commission Received	1,440	Bank Overdraft	10,000
Capital	50,000	Drawings	7,800
Interest On Overdraft	1,800		

6. a) In which of the following Subsidiary book, the following transactions will be recorded: 4+6=10
   i) Credit sales of goods
   ii) Return of goods previously sold on credit
   iii) Cash purchase of assets
   iv) Credit purchase of assets

   b) Record the following transactions in the Purchased Books:
   2025

May 1:	Purchased from Deccan garments, Hyderabad 20 kurtis @ Rs. 150 each 2 sarees @ Rs. 400 each Less: trade discount @ 10%
May 7:	Purchased from Samrat and Co., Delhi 2 trousers @ Rs. 125 each 10 handkerchiefs @ Rs. 20 each Delivery and cartage Rs. 15
May 21:	Purchased from Patel House, Surat 10 salwars @ Rs. 150 each 15 shirts @ Rs. 150 each Less: trade discount @ 10% Packing and delivery charges Rs. 25
March 25:	Purchased from Ram and Sons, Chennai 2 cabinets @ Rs. 4000 each

7. Differentiate between cost accounting and management accounting. What are the elements of a cost sheet? 6+4=10

8. From the following Trial Balance prepare a trading and Profit and Loss Account of Mr. S.Sinha for the year ending 31st March, 2025 and a Balance Sheet as on that date. 10

Debit Balance	Amt. (Rs)	Credit Balance	Amt. (Rs)
Sundry Debtors	50,000	Capital	2,50,000
Stock on 1/4/24	30,000	Sundry Creditors	75,000
Cash at Bank	54,000	Sales	1,74,000
Wages	32,000		
Bad Debts	3,000		
Furniture	20,000		
Depreciation	5,000		
Salaries	22,000		
Purchases	1,26,000		
Machinery	1,57,000		
Total	4,99,000	Total	4,99,000

On 31st March, 2025 the stock was valued at Rs. 95,000.

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