

BACHELOR OF COMMERCE
SECOND SEMESTER
FUNDAMENTALS OF ACCOUNTING
BCM – 921 [IDMn]

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The person, firm or institution that does not pay the price in cash for the goods purchased or the services received is called _____.
a. Creditor
b. Proprietor
c. Debtor
d. Seller
2. Which qualitative characteristics of accounting information are reflected when accounting information is clearly presented?
a. Comparability
b. Understandability
c. Relevance
d. Reliability
3. The primary qualities that make accounting information useful for decision making are _____.
a. Relevance and freedom from bias
b. Reliability and comparability
c. Comparability and consistency
d. Understandability
4. The sum of Liabilities and Capital is _____.
a. Expense
b. Income
c. Drawings
d. Assets
5. Which of the following is a cash transaction?
a. Sold goods
b. Sold goods to Mr. S on credit
c. Sold goods to Mr. R
d. Sold goods to Mr. T on account
6. Ledger is a book of _____ in accounting.
a. All non-cash transactions
b. Secondary entry
c. Original entry
d. All cash transactions
7. The entry which affects the cash and bank column of a triple column in the cash book is known as:-
a. Compound Entry
b. Contra Entry
c. Journal Entry
d. Counter Entry
8. 'Drawings' falls under _____ account.
a. Personal account
b. Real account
c. Nominal account
d. None of this
9. If the trial balance does not tally after many efforts, then the _____ account is opened.
a. Purchase Account
b. Suspense Account
c. Sales Account
d. None of the above

10. Depreciation helps in determining _____.
- Increase the value of the asset
 - Revenue generation
 - Increase the burden of tax
 - Accurate level of profit
11. Every fixed asset loses its value due to use or other reasons. This decline in the value of assets is known as:-
- Provisions
 - Devaluation
 - Depreciation
 - Amortisation
12. Provision is created by debiting _____.
- Profit and Loss account
 - Trading account
 - Profit and Loss appropriation account
 - Balance sheet
13. Trading account discloses _____.
- Gross Profit
 - Net Profit
 - Net Loss
 - Gross Profit or Gross Loss
14. Direct Expenses are entered in _____.
- Trading Account
 - Profit and Loss Account
 - Balance Sheet
 - Cash Book
15. Profit earned through normal activities of the business is _____.
- Operating Profit
 - Net Profit
 - Gross Profit
 - Manufacturing Profit
16. Goodwill is a _____ Asset.
- Fixed
 - Current
 - Fictitious
 - Flexible
17. Elements of costs are:
- Three types
 - Four types
 - Five types
 - Six types
18. Basic objective of cost accounting is:-
- Tax compliance
 - Financial audit
 - Cost ascertainment
 - Profit analysis
19. Management Accounting is primarily concerned with:-
- Reporting Financial Statements to External stakeholders.
 - Preparing tax returns for the organisation
 - Providing financial information for internal decision making.
 - Auditing the organisation's financial records.
20. Which of the following is an example of a fixed cost?
- Direct labour
 - Raw Materials
 - Rent Expense
 - Sales Commission

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

1. Enter the following transactions in the Journal of Mr. GOOGLE: 2×5=10
January, 2023:
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- Bought furniture through PHONEPE Rs. 5,000;

2. a) Distinguish between Cash Basis and Accrual Basis of Accounting. 5+5=10
b) Explain the 'Business Entity Concept' of Accounting.

3. Define Accounting. Explain some of its major characteristics/attributes. 2+4+4=10
Also discuss the main objectives of accounting.

4. Enter the following transactions in a triple column cashbook and 10
balance the same:
2023
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/-

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

6. a) Write any five differences between 'Provisions' and 'Reserves'. 5+2+3=10
b) What is a trial balance? Mention the objects of preparing trial
balance.

7. From the following Trial Balance prepare a trading and Profit and Loss Account of Mr. S. Sinha for the year ending 31st March, 2023 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 1/4/22	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		

On 31st March, 2023 the stock was valued at Rs. 95,000.

8. Differentiate between cost accounting and management accounting.
What are the elements of a cost sheet?

6+4=10

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