

**Second Internal Examination, October 2023**

**Department of Commerce, Semester 5  
FUNDAMENTALS OF ACCOUNTING**

**Total: 80 marks**

**Time: 3 hours**

**Section A**

*Answer any 10 questions. Each question carries 2 marks.*

1. Who is a Debtor?
2. Enumerate double entry system of accounting.
3. What is opening entry?
4. What are Source Documents?
5. Define Ledger.
6. What is Trade Discount?
7. Explain Debit Note and Credit Note.
8. Why a Trial Balance is prepared?
9. What is Suspense Account?
10. What are the limitations of Trial Balance?
11. What do you mean by grouping and marshalling of assets and liabilities?
12. Enumerate Balance Sheet.

**(10 x 2 =20 Marks)**

**Section B**

*Answer any 6 questions. Each question carries 5 marks.*

13. What are the main features of Accounting?
14. Define Accounting Standard. Explain its objectives.
15. Show the opening entry from the following particulars

	Rs.
Cash in hand	5000
Cash at Bank	10,000
Machinery	6000
Stock	7000
Sundry Debtors	10,000

Sundry Creditors	5000
Bills Receivable	3000
Bills Payable	1000
Loan (Cr)	2000

16. Pass Journal Entries in respect of the following transactions

Date	Transactions	Amount
2019		
March 1	Rama Commenced business with	100000
2	Paid into bank	80000
3	Purchased goods for cash	5000
4	Bought Furniture	4000
10	Drew from bank for office	10000
13	Sold Goods to Gopu	6000
15	Bought goods from Sunil	4100
19	Received cash from Gopu	5900
	Allowed him discount	100
25	Paid wages	5000
28	Paid to Sunil in Full Settlement	4000
30	Paid Rent	1000

17. Distinction between Journal and Ledger.

18. Give ledger accounts of Mr. Raj in respect of the transactions given below:

2019	
March 1	Started business with Rs.50,000
3	Purchased goods for Rs.12,000
4	Purchased goods on credit from Gomas Rs.8,000
8	Sold goods to Arun Rs.6,000
12	Paid to Gomas Rs.5,000
15	Received from Arun Rs.4,000
18	Sold goods for Rs.9,000

19. Enumerate the features and objectives of Trial Balance.

20. Prepare a Trial Balance from the following

Particulars	Amount (Rs)
Cash	38750
Capital	50,000
Purchases	4500
Creditors	2000
Furniture	8000
Debtors	1000
Sales	3000
Commission	750
Rent	3500

21. What are the differences between Profit and Loss Account and Balance Sheet?

**(6 x 5 = 30 Marks)**

### Section C

*Answer any 2 questions. Each question carries 15 marks*

22. Explain in detail the various Accounting Concepts and Conventions.

23. Record the following transactions in a Three Column Cash book

2019

May

- 1 Opening Balance –Cash Rs.3500 and Bank (Cr.) Rs.2000
- 4 Sold goods for cash Rs.5000
- 7 Paid to bank Rs.3500
- 10 Received from Roy Rs.8900 and allowed him discount Rs.100
- 12 Cash purchases Rs.4000
- 17 Paid cash to Joy Rs.2750 and discount received Rs.50
- 20 Purchased furniture for cash Rs.3000
- 22 Withdrew from bank for personal use Rs.1500
- 26 Paid cash to Krishnan Rs.2975 and discount allowed by him Rs.25
- 29 Paid Rent Rs.3000
- 30 Withdrew from bank for office use Rs.1500

24. Explain (a) Journal, (b) Journalising and (c) Journal Entry. State the advantages and disadvantages of journal.
25. From the following information, prepare a Trading and Profit and Loss account for the year ended 31 March 2018.

Opening Stock	1,00,000
Purchases	6,72,000
Carriage Inwards	30,000
Wages	50,000
Sales	11,00,000
Return Inwards	1,00,000
Return Outwards	72,000
Closing Stock	2,00,000
Salaries	1,10,000
Discount Allowed	19,000
Discount Received	18,000
Bad Debts	17,000
Depreciation	65,000
Legal Charges	57,000
Audit Fees	1,000
Electricity Charges	17,000
Telephone Expenses	12,000
Stationery	27,000
Interest Paid	70,000

**(2 X 15 = 30 Marks)**

*[Scan QR code for Answer Key]*