



I Semester B.Com. (LSCM) Examination, February/March 2024
(NEP) (Freshers and Repeaters)

COMMERCE

Paper – 1.1 : Fundamentals of Accounting

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer should be written only in **English**.

SECTION – A

Answer **any five** sub-questions. **Each** question carries **2** marks. **(5×2=10)**

1. a) Define Accounting.
- b) What do you mean by Accounting Standards ?
- c) What do you mean by 'Single entry system' ?
- d) What is Trial Balance ?
- e) State the two objectives of preparing a Trial Balance.
- f) How is the balance of Trading Account treated ?
- g) What is an 'Outstanding Expense' ?

SECTION – B

Answer **any three** questions. **Each** question carries **4** marks. **(3×4=12)**

2. What are the functions of Accounting ?
3. Classify the following accounts as Personal, Real and Nominal :
Printing and Stationery A/c, Bank Loan A/c, Investments A/c, Royalty A/c,
Tenant's A/c, R. V. College A/c, Mr. Ajith's A/c, Building A/c.

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4. Prepare Personal Account of John from the following transactions :

- 1-1-23 Sold goods to him worth Rs. 1,000
- 3-1-23 Purchased goods from him worth Rs. 500
- 5-1-23 Received from him Rs. 900 on account and allowed him Rs. 100 as discount
- 10-1-23 Returned goods to him worth Rs. 50
- 20-1-23 Sold goods to him worth Rs. 400
- 25-1-23 He returned goods worth Rs. 100
- 27-01-23 Received from him Rs. 300

5. Write the advantages of double entry system.

6. Prepare Trading Account from the following balances

| | ₹ |
|-------------------|----------|
| Stock on 1-4-2023 | 15,000 |
| Purchases | 90,000 |
| Sales | 1,00,000 |
| Wages | 3,000 |
| Carriage inwards | 5,000 |
| Clearing charges | 1,000 |
| Purchase returns | 7,000 |
| Sales Returns | 18,000 |

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks. (3×10=30)

7. Explain :

- a) Outsourced Accounting
- b) Predictive Accounting.



8. Pass Journal entries in the books of Prem for January 2023 :
- 1 Sold Goods for cash Rs.10,000.
 - 3 Purchased Goods from Santosh on credit Rs. 5,000.
 - 5 Opened a bank account with Rs. 30,000.
 - 7 Purchased Machinery from Ramesh on credit Rs. 40,000.
 - 9 Withdrew Rs. 2,000 from the bank.
 - 11 Sold furniture to Anil on credit Rs. 12,000.
 - 13 Sold furniture to Manjunath on credit Rs. 3,000.
 - 15 Sold machinery to Vinod on credit Rs. 5,000.
 - 20 Deposited Rs. 7,000 in to the bank.
 - 31 Sold Goods on credit to Venkat for Rs. 3,000.
9. Pass journal entries and post them in to respective ledger accounts :
- 1-1-2023 Commenced business with cash Rs. 20,000.
 - 2-1-2023 Purchased machinery for cash Rs. 10,000.
 - 3-1-2023 Purchased machinery from Anand on credit for Rs. 4,000.
 - 4-1-2023 Sold machinery for cash Rs. 8,000.
 - 5-1-2023 Sold machinery to Anand on credit Rs. 6,000.
10. Explain the significance of accounting standards.
11. Prepare Financial Statements for the year ending on 31st December 2023 from the following trial balance and adjustments.

Trial Balance as on 31st December 2023

| Name of the accounts | Debit Rs. | Credit Rs. |
|-------------------------------------|----------------------|-----------------------|
| Drawings and Capital | 30,000 | 1,00,000 |
| Purchases and sales | 80,000 | 1,40,000 |
| Returns | 4,000 | 6,000 |
| Wages | 8,000 | — |
| Salaries | 16,000 | — |
| Sundry debtors and sundry creditors | 24,000 | 20,000 |



| | | |
|------------------------------------|-----------------|-----------------|
| Bills receivable and bills payable | 10,000 | 8,000 |
| Furniture | 30,000 | - |
| Opening stock | 26,000 | - |
| General expenses | 6,000 | - |
| Insurance | 2,000 | - |
| Cash and bank balance | 38,000 | - |
| | 2,74,000 | 2,74,000 |

Adjustments :

- a) Closing stock Rs. 40,000
- b) Insurance prepaid Rs. 400

SECTION - D

Answer **any one** of the following, carries **8** marks. **(1×8=8)**

- 12. List any six Indian accounting standards.
- 13. Explain the three types of accounts with examples.

| Trial Balance as on 31 st December 2023 | | Name of the accounts |
|--|---------------|---|
| Debit Rs. | Credit Rs. | |
| 30,000 | | Drawings and Capital |
| 80,000 | | Purchases and sales |
| 4,000 | | Returns |
| 8,000 | | Wages |
| 16,000 | | Salaries |
| 24,000 | | Suppliers, debtors and sundry creditors |
| | 20,000 | |