25U251 (Pages: 3) Name : ....

Reg. No : ....

SECOND SEMESTER UG DEGREE EXAMINATION, APRIL 2026

(FYUGP)

(Regular/Supplementary/Improvement)

CC24UCOM2FM106(3) - FOUNDATIONS OF ACCOUNTING

(Commerce - MDC)

(2025 Admission onwards)

Time: 1.5 Hours Maximum : 50 Marks

Credit: 3

Part A (Short answer questions)

Answer ***all*** questions. Each question carries 2 marks.

1. Mr. X, a trader, bought goods of Rs. 8,000 on credit from Mr. A and sold goods of Rs. 10,000 on credit to Mr. P. Who is Mr. A and Mr. P to Mr. X ? [Level:2] [CO1]

2. What do you mean by accounting principles? Name any two accounting principles. [Level:2] [CO1]

3. Define accounting. [Level:2] [CO1]

4. Nisha, a trader, purchased goods worth Rs. 5,000 on credit from Meena. Find out the accounts to be debited and credited as per the principle of double entry. [Level:2] [CO2]

5. Classify the following accounts into personal, real and nominal accounts: salary a/c, drawings a/c, furniture a/c [Level:2] [CO2]

6. Mr. Seth, a trader, sells goods to Mr. Hira. Is this a transaction which can be entered in the books of Mr. Seth? If so, why? [Level:2] [CO2]

7. Prepare single column cash book [Level:3] [CO3]

Jan 1	Opening balance of cash	Rs. 8,650
Jan 3	Paid into bank account	Rs. 5,000
Jan 9	Sold goods for cash	Rs. 4,000
Jan 19	Rent paid by cheques	Rs.750
Jan 27	Received cash on sales	Rs. 3,500
Jan 31	Drew a cheque for personal use	Rs. 800

8. Prepare Mathew's account: [Level:2] [CO3]

Jan 1 Debit balance b/d Rs. 2,000

Jan 5 Bought goods from Mathews Rs. 3,700

Jan 10 Returned goods worth Rs. 100 to Mathews

9. Explain any three causes of depreciation. [Level:3] [CO3]

10. Calculate the amount of gross profit: [Level:3] [CO4]

Opening stock	Rs. 20,000
Purchases	Rs. 50,000
Sales	Rs. 60,000
Carriage on expenses	Rs. 10,000
Closing stock	Rs. 25,000

(Ceiling: 16 Marks)

Part B (Paragraph questions/Problem)

Answer ***all*** questions. Each question carries 6 marks.

11. Identify the accounting concept in each of the following cases: i. The proprietor is treated as a creditor of the business to the extent of his capital ii. Every business has an indefinite future life iii. Accounting does not record qualitative transactions. [Level:2] [CO1]

12. Differentiate between revenue expenditure and capital expenditure. [Level:2] [CO4]

13. A company purchased a machinery costing Rs. 2,00,000 on 1st January 2020. It decided to write off depreciation @10% per annum on the diminishing balance annually on 31st December. On 30th October, 2021 purchased another machinery worth Rs. 1,50,000. On 1st July, 2022 the machinery purchased in 2020 was sold for Rs. 1,40,000. Prepare machinery account. [Level:3] [CO3]

14. A company purchases a computer for Rs. 33,000. The computer is expected to have a salvage value of Rs. 3,000 and a useful life of 5 years. Calculate the annual depreciation expense using the straight-line method and draw up the asset account for five years. [Level:3] [CO3]

15. From the following information, prepare Profit and loss Account of M/s Sahil Bros for the Year ending on 31.03.2012. [Level:3] [CO4]

Gross Profit	Rs. 97,000
Discount allowed to customers	Rs. 2,000
Printing and stationery	Rs. 2,000
Office rent	Rs. 5,000
Repair	Rs. 2,400
Insurance Premium	Rs. 5,100
Telephone Charges	Rs. 1,000
Discount received from Creditors	Rs. 3,000
Interest earned during the year	Rs. 5,000

(Ceiling: 24 Marks)

Part C (Essay questions)

Answer any ***one*** question. The question carries 10 marks.

16. Ananth is a trader dealing in textiles. For the following transactions, pass journal entries for the month of January, 2024. [Level:3] [CO2]

1. Commenced business with cash	Rs. 70,000
2. Purchased goods from X and Co. on credit	Rs. 30,000
3. Cash deposited into bank	Rs. 40,000
4. Bought a building from L and Co. on credit	Rs. 95,000
5. Cash withdrawn from bank for office use	Rs. 5,000
6. Cash withdrawn from bank for personal use of Ananthu	Rs. 4,000
7. Bought stationaries	Rs. 3,000
8. Shirts taken over by Ananth for personal use	Rs. 12,000
9. Additional capital introduced	Rs. 30,000
10. Goods (table clothes) used for office use	Rs. 200

17. Prepare Trial Balance from the following balances of Mr. Akhtar as on 31.12.2025: [Level:3] [CO4]

Capital	Rs. 420,000	Cash in hand	Rs. 25,000
Building	Rs. 115,000	Cash at bank	Rs. 84,700
Machinery	Rs. 60,000	Sundry Creditors	Rs. 68,000
Furniture	Rs. 11,000	Rent	Rs. 48,000
Car	Rs. 68,000	Opening stock	Rs. 86,000
Commission	Rs. 1,400	Rates and Taxes	Rs. 2,600
Purchases	Rs. 94,000	Bad debts	Rs. 3,200
Sales	Rs. 196,000	Insurance	Rs. 2,400
General Expenses	Rs. 800	Sundry debtors	Rs. 16,200
Reserve for doubtful debts	Rs. 7,300	Salaries	Rs. 94,000
Closing Stock	Rs. 12,000	Unearned Revenue	Rs. 16,000
Interest received	Rs. 5,000		

(1 × 10 = 10 Marks)

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