

**First Semester FYUGP Degree Supplementary Examination  
January 2025**

**KU1DSCCOM101 - ACCOUNTING FOR BEGINNERS**

2024 Admission onwards

Time : 2 hours

Maximum Marks : 70

**Section A**

**Answer any 6 questions. Each carry 3 marks.**

1. What do you mean by Conservatism principle of accounting?
2. "Transactions which can be expressed in terms of money only are to be recorded in the books accounts". Identify the accounting concept and explain.
3. State rules of debit and credit
4. "A trial balance helps to prepare financial statements". Comment
5. "A trial balance is a statement, not an account". Comment
6. What do you mean by Net Profit? How it is calculated?
7. Define the term "Balance Sheet" and its purpose in final accounts.
8. Why is it important to prepare a Balance Sheet after the Profit and Loss Account?

**Section B**

**Answer any 4 questions. Each carry 6 marks.**

9. a) "Business will go for an indefinite period of time". Identify the accounting concept and explain  
b) Critically evaluate the principle of full disclosure.
10. Prove accounting equation based on the following transactions
  - a) Dhyvin Commenced business with cash Rs 60,000
  - b) Purchased goods for cash Rs 10,000
  - c) Purchased Machinery Rs 16,000
  - d) Sold goods for Rs 8,000
  - e) Bought goods from Madhavan Rs 10,000
  - f) Paid Rent Rs 3,000

11. Show the effect of the following transactions on assets, liabilities and capital (increase/decrease) using accounting equation
- Muhammed Started business with cash Rs 80,000
  - Interest received Rs 4,000
  - Paid Repairs Rs, 2,000
  - Purchased goods for cash Rs 30,000
  - Sold goods on credit Rs 23,000
  - Deposited into bank account Rs 20,000
12. The following transactions were recorded in the books of a sole trader. Distinguish between capital and revenue expenditures: Give Reasons
- Purchase of inventory for resale Rs 20,000
  - Major repairs to the factory building Rs 10,000
  - Legal fees for establishing a new business entity Rs 15,000
  - Purchase of a new computer for office use Rs 25,000
  - Office supplies purchased Rs 3,000
13. From the following details of Miss. Shalu, prepare the Trading and Profit & Loss Account for the year ending March 31, 2024.  
Trial Balance as on March 31, 2024:

Particulars	Debit (Rs)	Credit (Rs)
Opening Stock	40,000	
Purchases	1,40,000	
Sales		3,10,000
Wages	11,000	
Carriage outwards	9,000	
Insurance	7,000	
Sundry Debtors	1,31,000	
Sundry Creditors		38,000
Machinery	62,000	
Cash in hand	13,000	
Capital		65,000
<b>Total</b>	<b>4,13,000</b>	<b>4,13,000</b>

14. Explain the role of the Balance Sheet and its key components in presenting the financial position of a business.

### Section C

Answer any 2 questions. Each carry 14 marks.

15. Give journal entries from the following transactions
- 2024
- Sept. 1 Sidharth started business with cash Rs 50,000
- Sept. 2 Opened a bank account Rs 10,000
- Sept. 4 Bought goods on credit from Mahesh Rs 6,000
- Sept. 6 Purchased stationery items Rs 250



- Sept. 8 Returned goods to Mahesh Rs 300  
 Sept. 9 Sold goods to Sona Rs 5,000  
 Sept. 11 Paid cash to Mahesh Rs 2,000  
 Sept. 13 Received cash from Sona Rs 2,500  
 Sept. 15 Sidharth, owner withdrew goods for personal use Rs 750  
 Sept. 19 Purchased machinery from Machine House Rs 10,000  
 Sept. 21 Withdrew cash from for office use Rs 2,000  
 Sept. 24 Withdrew cash for personal use Rs 500  
 Sept. 27 Salary paid Rs 1,000  
 Sept. 28 Rent paid Rs 700

16. Pass necessary journal entries from the following transactions; post them to ledger accounts and balance them

- Aug. 1 Purchased goods for cash Rs 70,000  
 Aug. 4 Sold goods Rs 22,000  
 Aug. 10 Bought goods from Shana Rs 14,000  
 Aug. 14 Sold to Ajith goods Rs 35,000  
 Aug. 16 Received cash from Ajith Rs 20,000  
 Aug. 25 Paid rent Rs 5,000

17. From the following balances extracted from the books of Mr. Mahesh, prepare Trial Balance as on 31st March, 2024.

Name of Account	Amount (Rs)
Capital	4,00,000
Drawings	95,000
Machinery	3,00,000
Sundry Debtors	38,000
Sundry Creditors	85,000
Purchases	39,000
Purchases Returns	1,500
Sales	35,000
Rent	47,000
Cash at bank	10,000
Bank Overdraft	6,000
Sales Returns	500
Bills Payable	5,500
Salary	4,000
Commission Received	1,500
Cash at bank	800
Cash in hand	3,000
Outstanding salary	2,800