Reg. No.. Name.. **25U502-MS**

B.A. /B.Sc./B.COM DEGREE END SEMESTER EXAMINATION - OCTOBER 2025

SEMESTER – –5: COMMERCE (OPEN COURSE)

COURSE: 15U5OCCOM1: FUNDAMENTALS OF ACCOUNTING

(For Supplementary (Mercy Chance) 2018/2017/2016/2015 Admissions)

Time: Three Hours Max. Marks: 75

PART A

Answer all questions. Each question carries 2 marks.

1. What is the main purpose of accounting?
2. Define a 'Debit' in accounting.
3. What is the book in which all transactions are first recorded called?
4. Give the formula for the Accounting Equation.
5. What is the meaning of 'Credit' in accounting?
6. Who is a 'Debtor'?
7. What is the difference between a cash discount and a trade discount?
8. What is an asset? Give one example.
9. What is the final account prepared to find out the profit or loss of a business?
10. What do you mean by 'Capital'?

(2 × 10 = 20)

PART B

Answer any five questions. Each question carries 5 marks.

11. What is a Trial Balance? State any two of its objectives.
12. Pass Journal Entries for the following transactions:
    - Started business with cash ₹50,000.
    - Purchased goods for cash ₹10,000.
    - Sold goods to Rahul on credit ₹5,000.
    - Paid rent ₹1,000.
    - Received commission ₹500.
13. From the following information, calculate the cost of Goods Sold:
    - Opening Stock: ₹10,000
    - Purchases: ₹50,000
    - Closing Stock: ₹15,000

14. Prove that the Accounting Equation (Assets = Liabilities + Capital) is satisfied for the following transactions:

    - Raj started a business with cash: ₹1,00,000
    - He purchased furniture for: ₹20,000
    - He bought goods on credit from Mohan: ₹30,000

15. Write short notes on any two of the following accounting concepts:
    a) Business Entity Concept
    b) Money Measurement Concept
    c) Going Concern Concept

16. From the following list, classify the accounts into Personal, Real, and Nominal:
    Building, Salary Paid, Bank Loan, Sales, Cash, Commission Received.

17. What is a Balance Sheet? Why is it prepared?

(5 × 5 = 25)

PART C

Answer any three questions. Each question carries 10 marks.

18. Prepare a Sales Book from the following transactions of M/s. Book House:
    2025
    Jan 5: Sold to M/s. Students Corner: 50 Notebooks @ ₹20 each, 20 Pens @ ₹10 each.
    Jan 10: Sold to M/s. Library Point: 100 Books @ ₹150 per book. Less Trade Discount @10%.
    Jan 20: Sold to M/s. College Store: 10 Dictionaries @ ₹500 each, 5 Maps @ ₹200 each.

19. Enter the following transactions in the Cash Book and bring down the balance:
    2025
    March 1: Cash in hand ₹25,000.
    March 5: Paid to Suresh by cheque ₹8,000.
    March 10: Cash Sales ₹15,000.
    March 15: Purchased stationery for cash ₹1,000.
    March 25: Received cash from Ramesh ₹4,000.

20. From the following balances, prepare a Trading and Profit & Loss Account for the year ended 31st March 2025:

Particulars	Amount (₹)
Opening Stock	20,000
Purchases	80,000
Sales	1,50,000

Wages	10,000
Salaries	12,000
Rent Received	5,000
Closing Stock	25,000

21. What is a Ledger? Explain the rules of posting Debit and Credit in a Ledger Account. How is balancing of an account done?
22. Explain in your own terms what are the basic essential financial books to be maintained in an office when you start a business.

(10 x 3 = 30)