



## Term Evaluation (Odd) Semester Examination November 2025

Roll no.....

Name of the Course: B.Com(H)

Semester: I

Name of the Paper: Financial Accounting

Paper Code: BCH 102

Time: 3-hour

Maximum Marks: 100

### Note:

- (i) All the questions are compulsory.
- (ii) Answer any two sub questions from a, b and c in each main question.
- (iii) Total marks for each question is 20 (twenty).
- (iv) Each sub-question carries 10 marks.

Q1. (2X10=20 Marks)

- a. Explain the meaning of Accounting Standards? Discuss the objectives and importance. (CO-1)
- b. A company purchased a second-hand machine on 1<sup>st</sup> January, 2020 for Rs 30,000 and immediately spent Rs. 4,000 on its repair and Rs. 1,000 on its installation. On July 1, 2022, the machine was sold for Rs. 25,000. Prepare machine account after charging depreciation @ 10% p.a. by diminishing balance method. (CO-3)
- c. Define Accounting and explain the various branches of accounting. (CO-1)

Q2. (2X10=20 Marks)

- a. Analyse the basic accounting conventions with examples. (CO-1)
- b. Journalise the following transactions (CO-2)
  - (i) Bought goods from Arun for Rs. 2,00,000 at a trade discount of 15% and cash discount of 2%. Paid 80% amount immediately.
  - (ii) Cash withdrawn from bank Rs. 5,000 for personal use and Rs. 25,000 for office use.
  - (iii) Goods destroyed by fire Rs. 40,000.
  - (iv) Provide 20% depreciation on machinery costing Rs. 50,000.
  - (v) Out of insurance paid this year, Rs. 3,000 is related to next year.
  - (vi) Allow Rs. 5,000 as interest on capital and charge Rs. 1,000 as interest on drawings.
  - (vii) Sohan who owed us Rs. 25,000 was declared insolvent and 40 paise in a rupee is received from him in full settlement.
  - (viii) Paid income tax Rs. 4,000.
  - (ix) Salary outstanding Rs. 2,000.
  - (x) Received rent Rs. 500.
- c. Enumerate the rules of debit and credit. What are the steps of the accounting cycle? (CO-2)

Q3. (2X10=20 Marks)

- a. X purchased a machine under hire purchase system. According to the terms of the agreement Rs. 40,000 was to be paid on signing of the contract. The balance was to be paid in four annual instalments of Rs. 25,000 each plus interest. The cash price was Rs. 1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest of each year and the instalment amount. (CO-3)
- b. Explain the following terms: (CO-2)
  - (i) Trial Balance
  - (ii) The continuity doctrine and matching concept



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c. Compare the Straight-Line Method and Diminishing Balance Method of depreciation. (CO-3)

Q4.

(2X10=20 Marks)

a. Elucidate the meaning, objectives and significance of final accounts. (CO-4)

b. From the following Trial Balance of M/s Sharma & Co. as on 31st March 2024, prepare the Trading and Profit & Loss Account for the year ended on that date, and a Balance Sheet as at that date.

Trial Balance as on 31st March 2024 (CO-4)

Particulars	Dr (₹)	Cr (₹)	Particulars	Dr (₹)	Cr (₹)
Capital		1,20,000	Salaries	6,000	
Opening Stock	20,000		Rent	3,600	
Purchases	80,000		Insurance	1,200	
Sales		1,60,000	Debtors	25,000	
Carriage Inward	2,000		Creditors		20,000
Carriage Outward	1,200		Furniture	10,000	
Wages	12,000		Machinery	40,000	
Drawings	6,000		Cash in hand	3,000	

Adjustments:

1. Closing stock was valued at Rs. 25,000.
2. Outstanding wages Rs. 1,000.
3. Depreciate furniture by 10% and machinery by 5%.
4. Write off Rs. 500 as bad debts and create a 5% provision on debtors.

c. Determine the various tools and techniques used for analyzing financial statements? (CO-4)

Q5.

(2X10=20 Marks)

a. From the following Balance Sheet, prepare Comparative Balance Sheet. (CO-5)

Particulars	Note No.	31st March, 2022 (₹)	31st March, 2021 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's Funds			
(a) Share Capital		3,50,000	3,00,000
2. Non-Current Liabilities			
Long-term Borrowings		1,00,000	2,00,000
3. Current Liabilities:			
Trade Payables		1,50,000	1,00,000
<b>Total</b>		<b>6,00,000</b>	<b>6,00,000</b>
<b>II. ASSETS</b>			
1. Non-Current Assets			
Fixed Assets (Tangible)		4,00,000	3,00,000
2. Current Assets			
Trade Receivables		2,00,000	3,00,000
<b>Total</b>		<b>6,00,000</b>	<b>6,00,000</b>



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b. The following data are being taken from the records of AB Ltd. As on 31<sup>st</sup> December 2024. (CO-5)

	Rs.		Rs.
Cash	25,000	Debtors	12,000
B/P	3,000	Stock	8,000
Sales	53,000	Prepaid Expenses	2,000
Purchases	34,000	Creditors	12,000
Purchase Returns	750		

On the basis of the above data, calculate:

- (a) Current Ratio
- (b) Liquid Ratio
- (c) Inventory Turnover Ratio
- (d) Receivables Turnover
- (e) Average Collection Period

c. Discuss the basic functions of accounting software? Give few examples of accounting software. (CO-5)