QP Code: D145434	**Total Pages: 2**	**Name:**
		Register No.

SECOND SEMESTER FIVE YEAR INTEGRATED P.G. – FYIP – REGULAR EXAMINATION APRIL 2026

COMMERCE

COM2ID106 (3)- Foundations of Accounting

2025 Admission

Maximum Time :1.5 Hours | Maximum Marks :50

Section A

All Questions can be answered. Each Question carries 2 marks(Ceiling : 16 Marks)

1	For each of the cases numbered below, indicate whether the income/expenditure is capital or revenue. (i) Payment of wages to one's own employees for building a new office extension. (ii) Regular hiring of computer time for the preparation of the firm's accounts. (iii) The purchase of a new computer for use in the business
2	What are the limitations of accounting ?
3	Who are the primary users of accounting information?
4	What is the Hybrid Basis of Accounting?
5	What are Nominal Accounts ? Give examples
6	What are the rules of Debit and Credit in accounting?
7	How assets can be classified ?
8	What is a ledger? What is its importance in accounting ?
9	What are the objectives of preparing a trial balance ?
10	What is the treatment of closing stock in the preparation of financial statements ?

Section B

All Questions can be answered. Each Question carries 6 marks(Ceiling : 24 Marks)

11	Pass journal entries for the following transactions in the month of 2015 April 1. Mr. Vikas and Mrs. Vaibhavi who are husband and wife start consulting business by bringing in their personal cash of Rs. 5,00,000 and Rs. 2,50,000 respectively 10 Bought office furniture of Rs. 25,000 for cash. [Bill No. - 2015/F/3] 11 Opened a current account with PP National Bank by depositing Rs. 1,00,000 15 Paid office rent of Rs. 15,000 for the month by cheque to M/s Realtors Properties. [Voucher No. 3] 20 Bought a motor car worth Rs. 4,50,000 from Millennium Motors by making a down payment of Rs. 50,000 by cheque and the balance by taking a loan from HH Bank. [Voucher No. M/15/7] 25 Vikas and Vaibhavi carried out a consulting assignment for Avon Pharmaceuticals and raised a bill for Rs.10,00,000 as consultancy fees. [Bill No. B15/4/1]. Avon Pharmaceuticals have immediately settled Rs.2,50,000 by way of cheque and the balance will be paid after 30 days. The cheque received is deposited into Bank. 30 Salary of one receptionist @ Rs. 5,000 per month and one officer @ Rs. 10,000 per month. The salary for the current month is payable to them.

12 Calculate the Rate of Depreciation under Straight Line Method (SLM) in each of the following cases:-

Machine No.	Cost of Machine (₹)	Expenses incurred at the time of purchase to be capitalized (₹)	Estimated Residual Value (₹)	Expected Useful Life in years
1	90,000	10,000	20,000	**8**
2	24,000	7,000	3,100	**6**
3	1,05,000	20,000	12,500	**5**
4	2,50,000	30,000	56,000	**10**

13 Classify the following items as capital or revenue expenditure:
(i) An extension of railway tracks in the factory area;
(ii) Wages paid to machine operators;
(iii) Installation costs of new production machine;
(iV) Materials for extension to foremen's offices in the factory;
(v) Rent paid for the factory;
(vi) Payment for computer time to operate a new stores control system,
(vii) Wages paid to own employees for building the foremen's offices.
Give reasons for your classification

14 Difference between double entry system and single entry system

15 What are the features and causes of depreciation ?

Section C

Answer any ONE.Each Question carries 10 marks(1x10=10 Marks)

16 Explain the nature and features of different types of cash book

17 Prepare Trading and Profit and Loss Account of M/s Suraj Prakash & Sons for the year ending 31st December, 2014
from following information

	₹		₹
Stock (1-1-2014)	2,00,000	Salaries	30,000
Purchases	2,55,000	Rent, rates & taxes	12,000
Wages	1,00,000	Depreciation	3,020
Carriage	5,000	Repairs	6,000
Purchases returns	13,250	Discount allowed	12,505
Export duty	9,000	Bad debts	9,000
Sales	5,75,000	Advertisement	2,500
Coal & coke	25,000	Gas & water	1,500
Sales returns	10,000	Factory lighting	2,500
Printing & stationery	2,250	General expenses	4,000
Stock (31-12-2015)	3,00,000		