



PRACTICE SET
End Semester Examination, December, 2025

Program: BBA

Semester: I

Subject: Basic Accounting

Subject Code: 11CC102

Course Learning Objective:

CLO 1: Understand the nature, scope, objectives, branches and principles of financial accounting. And also enable learners to understand the journal transactions, ledger, trial balance and errors disclosed by it.

CLO 2: It includes Bank reconciliation statement, its features, objectives and its preparation as per both methods and also different types of errors and its rectifications.

CLO 3: Provide students with an understanding of the importance of bills of exchange, its constituents and explain the concepts of depreciation, the methods of providing depreciation as well as obsolescence, amortization depletion and fluctuations.

CLO 4: Understand the preparation of P/L statement and Balance sheet as well as its adjustment for ascertaining the financial position of the business.

Course Outcome:

On completion of the Course, the students will be able to:

CO 1: Understand the objectives, scope, importance, branches and principles of financial accounting and its applications in business organizations and record journal transactions, posting it into ledger and prepare trial balance as well as understand the methods to allocate errors in trial balance.

CO 2: Understand the objectives and purpose of Bank reconciliation statement, preparation according to balance and total method and apply the rectification of different types of errors in subsidiary books to solve business problems.

CO 3: Evaluate the due date, days of grace in bills of exchange, analyze the difference between bills of exchange and promissory notes. Understand depreciation, analyze the causes of depreciation, factors affecting depreciation and fixed & reducing instalment method to solve problems.

CO4: Analyzing a firm's financial activities using financial statement analysis tools to know the company's overall performance.

SECTION A

Question for Five (5) marks:

1. Define the term Accounting. Describe its Scope. [CO1, Unit I, BTL – LOT, Remember]
2. Explain the branches of Accounting [CO1, Unit I, BTL – LOT, Understand]
3. Explain whether accounting is science or art or both. [CO1, Unit I, BTL – LOT, Understand]
4. State the advantages of Journal Entries. [CO1, Unit I, BTL – LOT, Remember]
5. State the meaning of a trial balance? Describe its limitations. [CO1, Unit I, BTL – LOT, Remember]
6. Explain the classification of accounts and the rules of debit and credit with suitable examples. [CO1, Unit I, BTL – LOT, Understand]
7. State the Objectives of Bank Reconciliation Statement. [CO2, Unit II, BTL – LOT, Remember]
8. Interpret how will the following items affect the balance of Cash book:
 - i) Cheque issued to the supplier but cheque is not presented for payment till date.
 - ii) Interest on investment collected by the bank.
 - iii) Direct payment by the debtor into our bank account.
 - iv) Interest debited by the bank.
 - v) Direct collection of dividend by the bank. [CO2, Unit II, BTL – LOT, Understand]
9. Describe the meaning of suspense account? When it is opened and how it is eliminated? [CO2, Unit II, BTL – LOT, Understand]
10. Define BRS. Describe the steps for preparing BRS. [CO2, Unit II, BTL – LOT, Remember]
11. Describe the meaning of Bills of Exchange. State the three parties involved in a bill of exchange. [CO3, Unit III, BTL – LOT, Remember]
12. Compare between Straight line method and written down value method for providing depreciation. [CO3, Unit III, BTL – LOT, Understand]
13. Calculate the due date of the bill in following cases: [CO3, Unit III, BTL – LOT, Apply]
 - i) 27th November, 2023 Period: 3 months

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|-----------------------|------------------|
| ii) 30th June, 2023 | Period: 2 months |
| iii) 1st July, 2023 | Period: 60 days |
| iv) 30th June, 2023 | Period: 30 days |
| v) 31st January, 2024 | Period 1 month |

14. State the following terms – i) Provision ii) Reserve iii) Amortization iv) Endorsement of Bill v) Discounting of Bill. [CO3, Unit III, BTL – LOT, Remember]
15. State briefly the need of providing depreciation. [CO3, Unit III, BTL – LOT, Remember]
16. Draw the format of trading and profit and loss account. [CO4, Unit IV, BTL – LOT, Remember]
17. How do you deal with the following adjustments: [CO4, Unit IV, BTL – LOT, Apply]
- i) Outstanding expenses
 - ii) Interest on Capital
 - iii) Prepaid expenses
 - iv) Accrued income
 - v) Interest on drawings
18. Explain the meaning of Trading and Profit & Loss account. State its Characteristics. [CO4, Unit IV, BTL – LOT, Understand]
19. State whether the following statements are items of capital or revenue expenditure:
- i) Expenditure incurred on repairs and whitewashing at the time of purchase of an old building in order to make it usable.
 - ii) Registration fees paid at the time of purchase of a building
 - iii) Expenditure incurred in the maintenance of a tea garden which will produce tea after four years.
 - iv) Depreciation charged on a plant.
 - v) The expenditure incurred in erecting a platform on which a machine will be fixed. [CO4, Unit IV, BTL – LOT, Remember]
20. State the objective of financial statement. [CO4, Unit IV, BTL – LOT, Remember]

SECTION -B

Question for Ten (10) marks:

21. Prepare a trial balance as on 31st March 2018 from the books of Pranay. [CO1, Unit I, BTL – HOT, Analyse]

Particulars	Amount	Particulars	Amount
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	(Rs)		(Rs)
Capital	75,00,000	Building	7,50,000
Plant	15,00,000	Stock on 1st April 2017	12,50,000
Cash in hand	2,500	Cash in Bank	5,75,000
Commission Received	1,75,000	Rates, Taxes &	30,000
Discount(Dr)	55,000	Insurance	
Purchases Return	50,000	Discount (Cr.)	45,000
Interest Received	30,000	Sundry Creditors	2,50,000
Repairing Charges	1,25,000	Sales	62,50,000
General Expenses	3,00,000	Book Debts	15,00,000
Wages	5,00,000	Rent	62,500
Furniture	1,20,000	Purchases	48,00,000
Sales Return	90,000	Carriage & Freight	75,000
Loan Advanced	6,00,000	Delivery Van	5,00,000
Office Salaries	6,25,000	Traveling Expenses	50,000
		Drawings	6,00,000

22. Describe accounting standard. Explain the branches of Accounting. [CO1, Unit I, BTL – LOT, Understand]
23. Compare between financial accounting, cost accounting, and management accounting with examples. [CO1, Unit I, BTL – LOT, Understand]
24. Discuss the fundamental accounting concepts that guide the preparation of financial statements. [CO1, Unit I, BTL – LOT, Understand]
25. Define trial balance. Why is it prepared? Is the trial balance a conclusive proof of arithmetical accuracy in the books of accounts? Explain. [CO1, Unit I, BTL – LOT, Remember]
26. Analyze and Pass the following transactions in journal of Kumar Swami for the month of January 2014. [CO1, Unit I, BTL – HOT, Analyze]

Date	Particulars	Amount (Rs)
1. Jan. 1	Capital paid into Bank	3,00,000
2. Jan. 1	Bought Stationery for cash	400
3. Jan. 2	Bought Goods for cash	25,000
4. Jan. 3	Bought Postage Stamps	600
5. Jan. 5	Sold Goods for Cash	10,000
6. Jan. 6	Bought Office Furniture from Mahendra Bros.	40,000
7. Jan.11	Sold goods to Jacob	12,000
8. Jan.12	Received cheque from Jacob	12,000
9. Jan.14	Paid Mahendra Bros. by cheque	40,000
10. Jan.16	Sold goods to Ramesh & Co	5,000
11. Jan.20	Bought from S. Seth & Bros	15,000
12. Jan.23	Bought Goods for cash from S.Narain & Co	22,000
13. Jan.24	Sold Goods to P.Prakash	17,000
14. Jan. 26	Ramesh & Co. Paid on account	2,500
15. Jan.28	Paid S.Seth & Bros. by cheque in full settlement	14,800
16. Jan.31	Paid Salaries	2,800
17. Jan.31	Rent is due to S. Sharma but not yet paid	2,000

27. Analyze and Rectify the following Errors: [CO2, Unit II, BTL – HOT, Analyze]
- i. Rs. 5,000 Paid for furniture purchased has been debited to purchases account.
 - ii. Wages paid Rs. 7,000 for installation of new machinery were recorded in wages account.
 - iii. Goods sold to Hari Rs. 10,000 not recorded.
 - iv. Rs. 2,500 received from Monu has been credited to Sonu A/c.
 - v. Rent paid Rs. 1,000 wrongly debited to Landlord Account.
 - vi. Credit Purchase from Raman Rs. 15,000 were wrongly recorded in sales book.
 - vii. Credit sales to Geeta Rs. 8,800 were recorded as Rs. 8,800
 - viii. Goods Rs. 5,000 withdrawn by proprietor has not been recorded
 - ix. Sales Book was overcast by Rs. 2,000
 - x. Sales Return Book undercast by Rs. 4,000
28. Describe the various types of errors? How would you rectify various errors in accounting?
[CO2, Unit II, BTL – LOT, Remember]
29. Explain all the possible reasons for the difference between bank column of pass book and customer's cash book. [CO2, Unit II, BTL – LOT, Understand]
30. From the following particulars, prepare Bank Reconciliation Statement as on 31st December, 2008:
- i. Debit balance as per Cash Book Rs. 10,000.
 - ii. A cheque for Rs. 500 issued in favour of Karan has not been presented for payment.
 - iii. A bill for Rs. 700 retired by bank under a rebate of Rs 20, the full amount of the bill was credited in the Cash Book.
 - iv. A cheque for Rs. 295 deposited in the bank has been dishonored.
 - v. A sum of Rs. 800 deposited in the bank has been credited as Rs. 80 in the Pass Book.
 - vi. Payment side of the Cash Book has been under-cast by Rs. 200.
 - vii. A bill receivable for Rs 1,000 (discounted with the bank in November 2008) dishonored on 31st December, 2008. [CO2, Unit II, BTL – HOT, Analyze]
31. Bring out the difference between capital expenditure and revenue expenditure. Also explain deferred revenue expenditure with examples. [CO3, Unit III, BTL – HOT, Analyze]
32. Distinguish between a bill of exchange and promissory note. [CO3, Unit III, BTL – HOT, Analyze]
33. A Ltd. purchased on 1st April, 2019 a machinery for Rs. 2,91,000 and incurred Rs. 9,000 for installation. On 1st October another machinery for Rs. 1,00,000 was purchased. On 1st October 2020 the machinery purchased on 01/04/2019 having become useless was sold for Rs. 1,93,000 and on that day a new machinery was purchased for Rs. 2,00,000. Depreciation was provided on 31st March each year @ 10 percent p.a on written Down Value. You are required to prepare machinery account. [CO3, Unit III, BTL – HOT, Evaluate]

34. Amit sold goods for ₹ 20,000 to Sumit on credit on Jan 01, 2017. Amit drew a bill of exchange upon Sumit for the same amount for three months. Sumit accepted the bill and returned it to Amit. Sumit met his acceptance on maturity. Record the necessary journal entries under the following circumstances:

- (i) Amit retained the bill till the date of its maturity and collected directly
- (ii) Amit discounted the bill @ 12% p.a from his bank
- (iii) Amit endorsed the bill to his creditor Ankit
- (iv) Amit retained the bill and on March 31, 2017 Amit sent the bill for collection to its bank.

On April 05, 2017 bank advice was received. [CO3, Unit III, BTL – HOT, Evaluate]

35. Explain the meaning of balance sheet? How it is prepared? Differentiate between trial balance and balance sheet. [CO4, Unit IV, BTL – LOT, Understand]

36. Following balance is extracted from the books of a trader prepare trading and Profit & Loss account for the year ended March 31, 2017. [CO4, Unit IV, BTL – HOT, Evaluate]

Particulars	Amount	Particulars	Amount
Sales	75,250	Advertisement	1,800
Purchases	32,250	Commission paid	150
Opening stock	7,600	Office expenses	1,600
Sales return	1,250	Wages	2,600
Purchases return	250	Profit on sale of investment	500
Rent	300	Depreciation	800
Stationery and printing	250	Dividend on investment	2,500
Salaries	3,000	Loss on sale of old furniture	300
Misc. expenses	200	Closing stock	8,000
Travelling expenses	500	(March 31, 2017 `	

37. Explain the meaning of final account? Explain the main objectives of financial statements. Also explain direct expenses and indirect expenses with examples. [CO4, Unit IV, BTL – LOT, Understand]

38. Following balances appear in the books of Hari Bros:

Date	Transaction	Amount
1 st April, 2020	Machinery A/c	80,000
	Provision for depreciation A/c	36,000

On 1st April, 2020, they decided to sell a machine for Rs. 8,700. This machine was purchased for Rs. 16,000 in April, 2016. Prepare the Provision for Depreciation Account and Machinery Account on 31st March, 2021, assuming the firm has been charging Depreciation at 10% p.a. on Straight Line Method. [CO3, Unit III, BTL – HOT, Evaluate]

SECTION -C

Question for Ten (20) marks:

39. Record the following transactions in journal. Post them into ledger account and prepare a trial balance: [CO1, Unit I, BTL – HOT, Analyze]

May 2	Sold goods to Govind Cash Rupees 10,000 and credit Rupees 2,000
May 3	Sold to Sharma Rupees 11,000
May 5	Bought from Ram Lal Rupees 1200
May 8	Sold to Zahir Rupees 500
May 15	Received from Govind Rs.1500
May 18	Received from Sharma : Rupees 2,000 Allowed him discount : Rupees 50
May 20	Accepted Ram Lal draft at three months Rs.1500
May 21	Sold goods to Sharma : Rs.800
May 22	Paid rent Rupees 150
May 24	Sold to Zahir Rupees 1000
May 30	Paid salaries in cash Rs.300

40. On Jan 15, 2015, Kartar Sold goods for ₹ 30,000 to Bhagwan and drew upon him three bills of exchanges of ₹ 10,000 each payable after one month, two months and three months respectively. The first bill was retained by Kartar till its maturity. The second bill was endorsed by him in favour of his creditor Ratna and the third bill was discounted by him immediately @ 6% p.a. All the bills were met by Bhagwan. Journalise the above transactions in the books of Kartar, Bhagwan and Ratna. [CO3, Unit III, BTL – HOT, Analyze]

41. Ashoka & Co. whose books are closed on 31st March, purchased a machinery for Rs 1,50,000 on 1st April, 2018, Additional machinery was acquired for Rs 50,000 on 1st October, 2018. Certain machinery which was purchased for Rs 50,000 on 1st October, 2018 was sold for Rs 40,000 on 30th September, 2020.
Prepare the Machinery Account and Accumulated Depreciation Account for all the years up to the year ended 31st March, 2021. Depreciation is charged @ 10% p.a. on Straight Line Method.

Also, show the Machinery Disposal Account.

[CO3, Unit III, BTL – HOT, Analyze]

42. Prepare trading and profit and loss account of M/s Sports Equipments for the year ended March 31, 2017 and balance sheet as on that date : [CO4, Unit IV, BTL – HOT, Analyze]

Account Title	Debit	Credit
	Amount	Amount
Opening stock	50,000	
Purchases and sales	3,50,000	4,21,000
Sales returns	5,000	
Capital		3,00,000
Commission		4,000
Creditors		1,00,000
Bank overdraft		28,000
Cash in hand	32,000	
Furniture	1,28,000	
Debtors	1,40,000	
Plants	60,000	
Carriage on purchases	12,000	
Wages	8,000	
Rent	15,000	
Bad debts	7,000	
Drawings	24,000	
Stationery	6,000	
Travelling expenses	2,000	
Insurance	7,000	
Discount	5,000	
Office expenses	2,000	

Closing stock as on March 31, 2017 Rs. 2,500

43. From the following balances, prepare the trading and profit and loss account and balance sheet as on March 31, 2014. [CO4, Unit IV, BTL – HOT, Analyze]

<i>Debit Balances</i>	<i>Amount Rs.</i>	<i>Credit Balances</i>	<i>Amount Rs.</i>
Drawings	6,300	Capital	1,50,000
Cash at bank	13,870	Discount received	2,980
Bills receivable	1,860	Loans	15,000
Loan and Building	42,580	Purchases return	1,450
Furniture	5,130	Sales	2,81,500
Discount allowed	3,960	Reserve for bad debts	4,650
Bank charges	100	Creditors	18,670
Salaries	6,420		
Purchases	1,99,080		
Stock (opening)	60,220		

Sales return	1,870	
Carriage	5,170	
Rent and Taxes	7,680	
General expenses	3,630	
Plant and Machinery	31,640	
Book debts	82,740	
Bad debts	1,250	
Insurance	750	
	4,74,250	4,74,250

Adjustments

1. Closing stock Rs. 70,000
2. Create a reserve for bad and doubtful debts @ 10% on book debts
3. Insurance prepaid Rs. 50
4. Rent outstanding Rs. 150
5. Interest on loan is due @ 6% p.a.

Summary:

CO Wise:

CO	Ques. No	Marks
CO1	1,2,3,4,5,6,21,22,23,24,25,26,39	110
CO2	7,8,9,10,27,28,29,30	60
CO3	11,12,13,14,15,31,32,33,34,40,41	105
CO4	16,17,18,19,20,35,36,37,38,42,43	105

Unit Wise:

Unit	Ques No	Marks
I	1,2,3,4,5,6,21,22,23,24,25,26,39	110
II	7,8,9,10,27,28,29,30	60
III	11,12,13,14,15,31,32,33,34,40,41	105
IV	16,17,18,19,20,35,36,37,38,42,43	105

Blooms Taxonomy Level (BTL) Wise

BTL	Ques No	Marks
LOT	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,22,23,24,25,28,29,35,37	180
HOT	21,26,27,30,31,32,33,34,36,38,39,40,41,42,43	200

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Disclaimer: - This is a Practice Set. The Question in End term examination will differ from the Practice set. This Practice set is meant for practice only.