**Reg. No.:** .............................

**Name:** .................................

W7694

# University of Kerala

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

**COMMERCE**

**UK1DSCCOM100 - Accounting Principles and Standards**

Academic Level: 100-199

**2024 Admission onwards**

**Time: 2 Hours(120 Mins)** **Max. Marks: 56**

**Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions**

| Qn No. | Question | CL | CO |
|---|---|---|---|
| 1 | Which accounting concept states that the business entity should be treated as separate from its owners?<br><br>Options :<br>A)Going Concern<br>B)Entity<br>C)Money Measurement<br>D)Accrual | RE | 1 |
| 2 | An expenditure of revenue nature , the benefit last for more than one accounting year<br><br>Options :<br>A)Capital Expenditure<br>B)Revenue expenditure<br>C)Deferred revenue expenditure<br>D)None of these | RE | 1 |
| 3 | Depreciation is shown in<br><br>Options :<br>A)Balance sheet only<br>B) Profit & Loss Account only<br>C) Both P&L Account and Balance sheet<br>D)Cash Book | UN | 4 |
| 4 | Discover the type of expenditure incurred for shifting the business to a more advantages location<br><br>Options :<br>A)Capital Expenditure<br>B)Revenue Expenditure<br>C)Deffered Revenue Expenditure<br>D)All the Above | UN | 3 |
| 5 | Which of the following statements best explains the concept of "Salary Outstanding"?<br><br>Options :<br>A)Salary that has been paid in advance by the employer<br>B)Salary that has been earned by employees but not yet paid<br>C)Salary that is received after it is due<br>D)Salary that is paid to employees for extra working hours | UN | 3 |
| 6 | Salvage value refers to: | UN | 2 |

| Qn No. | Question | CL | CO |
|---|---|---|---|
| | Options :<br>A) Cost price<br>B)Book value<br>C)Estimated value of an asset at the end of its useful life<br>D)Market value of the asset | | |

**Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions**

| Qn No. | Question | CL | CO |
|---|---|---|---|
| 7 | Differentiate between Receipts and Payment Account and Cash book | UN | 4 |
| 8 | Explain the need for preparing profit and loss account and balance sheet | UN | 3 |
| 9 | A company values inventory at “cost or market price, whichever is higher”. Identify the mistake and state the correct rule under AS 2. | AP | 1 |
| 10 | The following information relates to a company. Cost of goods sold Rs 2,00,000, rate of gross profit 25%. Calculate the gross profit of the company. | AP | 3 |
| 11 | A company purchases a machine costing Rs. 200,000 with an estimated useful life of 5 years and a residual value of Rs. 20000. The installation expenses Rs.40,000. Using the straight-line method, what is the annual depreciation expense? | AP | 4 |

**Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question**

| Qn No. | Question | CL | CO |
|---|---|---|---|
| 12 | A)<br><br>Explain the Accrual Basis of accounting with suitable examples.<br><br>OR<br>B)<br><br>Apply the matching principle to explain how expenses should be recorded in the financial statements. | AP | 3, 1 |
| 13 | A)<br><br>Calculate expenses incurred for the year 2024 from given items.<br><br>Expenses paid during 2024: Rs.1000<br><br>Expenses outstanding on 31.12.24: Rs. 500<br><br>Expenses outstanding 1.1.24: Rs. 250<br><br>Expenses paid in advance on 1.1.24: Rs.350 | AP | 3, 4 |

| Qn No. | Question | CL | CO |
|---|---|---|---|
| | Expenses paid in advance on 31.12.24: Rs. 300<br><br>OR<br>B)<br><br>From the following information, calculate the amount of Salaries to be shown in the Income and Expenditure Account for the year ending 31st March 2025:<br><br>Salary paid during the year: ₹48,000<br><br>Salary outstanding on 31-03-2025: ₹6,000<br><br>Salary outstanding on 01-04-2024: ₹4,000<br><br>Salary paid in advance on 01-04-2024: ₹3,000<br><br>Salary paid in advance on 31-03-2025: ₹2,000<br><br>Calculate the amount of salary to be debited to the Income and Expenditure Account. | | |
| 14 | A)<br><br>Examine the method of depreciation that shows higher depreciation in the early years. Identify its features and disadvantages<br><br>OR<br>B)<br><br>Prepare asset accounts with imaginary figure for 4 years by charging depreciation by 10% on fixed and diminishing balance method. Also assume that there is no addition to asset and no sale. Elaborate your answer with what will happen to the value of asset and cost of depreciation during the four years with the help of a comparative statement showing years, value of asset, cost of depreciation and its changes. | AN | 2, 4 |
| 15 | A)<br><br>Outline the accounting treatment of loss of goods by fire in the following case. A fire occurred in the premises of Siniya on 25/3/2024 and goods of the cost of Rs.5,00,000 were lost for which Insurance Company admitted a claim of Rs. 4,40,000 on 28/3/2024.<br><br>OR<br>B)<br><br>Analyse the role of adjusting entries in the preparation of final accounts. Provide examples of three common adjustments and their impact on financial statements. | AN | 3, 3 |

**Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options * within each question**

| Qn No. | Question | CL | CO |
|---|---|---|---|
| 16 | A)<br><br>Analyse GAAP and appraise modifying principles | AN | 1, 1 |

| Qn No. | Question | CL | CO |
|---|---|---|---|
| | OR<br>B)<br><br>Analyse the significance of accrual principle and matching principle in financial reporting | | |
| 17 | A)<br><br>Galaxy Traders purchased a plant on April 1, 2018, for ₹ 95,000. On October 1, 2019, it purchased an additional plant costing ₹ 55,000. On January 1, 2021, the plant purchased on April 1, 2018, was sold for ₹ 65,000 and, on the same day, a new plant was purchased at a cost of ₹ 85,000. Depreciation is charged at 12% per annum on the diminishing balance method, and books are closed on March 31 every year<br><br>OR<br>B)<br><br>On 1st January 2020, X Ltd., bought plant and machinery costing ₹ 65,000 and spent ₹15,000 on its errection. The plant and machinery is depreciated at 20% per annum. Prepare plant and machinery account for two years both under fixed instalment method and diminishing balance method. Accounts are closed on 31 December each year | EV | 4, 2 |
| 18 | A)<br><br>Prepare the trading and profit and loss account of M/s Control Device India on December 31,2023 from the following balances on that date. | EV | 3, 3 |

| Qn No. | Question | CL | CO |
|---|---|---|---|

| Account Title | Debit Amount | Credit Amount |
|---|---|---|
| Drawings and Capital | 19,530 | 67,500 |
| Purchases and sales | 45,000 | 1,12,500 |
| Salary and Commission | 25,470 | 1575 |
| Carriage | 2700 | |
| Plant and Machinery | 27,000 | |
| Furniture | 6750 | |
| Opening stock | 42,300 | |
| Insurance Premium | 2700 | |
| Interest | | 7425 |
| Bank Overdraft | | 24,660 |
| Rent and rates | 2160 | |
| Wages | 11,215 | |
| Returns | 2385 | 1440 |
| Carriage outwards | 1485 | |
| Debtors and Creditors | 36,000 | 58,500 |
| General Expenses | 6975 | |
| Octroi | 530 | |
| Investment | 41,400 | |
| **TOTAL** | 2,73,600 | |

Closing stock was valued Rs. 20,000

1. Interest on capital @10%.
2. Interest on drawings @5%.
3. Wages Outstanding Rs.50.
4. Outstanding salary Rs.20.
5. Provide a depreciation @5% on plant and machinery.
6. Make a 5% provision on debtors.

OR
B)

Draw a balance sheet with imaginary figures from fixed assets, current assets, current liabilities, and long-term liabilities. Also suggest a method of marshalling of items in the balance sheet to a nonprofit organization.

| Qn No. | Question | CL | CO |
|---|---|---|---|
| 19 | A)<br><br>The following is the Receipts and Payments account of Dinners club for the year ending 31st December 2022. | CR | 4, 4 |

| Qn No. | Question | CL | CO |
|---|---|---|---|

Receipts and Payment Account

| Receipts | Amount | Payments | Amount |
|---|---|---|---|
| Balance b/d | | Sports expenses | 3200 |
| Cash in hand | 1600 | Entertainment expenses | 2200 |
| Entrance fees | 2000 | Furniture (1-7-2022) | 3000 |
| Donations | 3000 | Office expenses | 4000 |
| Endowment Fund | 4000 | Library books | 3200 |
| Subscription | | Printing &Stationery | 600 |
| 2021-300 | | Maintenance of ground | 700 |
| 2021-9100 | | Subscription to newspaper | 600 |
| 2023-400 | 9800 | Balance c/d | |
| | | Cash in hand | 1800 |
| | | Cash at Bank | 1100 |
| | | | |
| Total | 20400 | Total | 20400 |

The club has 100 members each paying an annual subscription of Rs 100. On 1st January 2022, Stock of stationery was for Rs 75 and on 31st December 2022 Stock is valued at Rs 125. On 1st January 2022, Furniture was valued at Rs 5000. Provide depreciation on furniture @20% per annum. Prepare Income and Expenditure account for the year ended 31st December 2022.

OR
B)

Prepare Receipts and Payments Account from the following incomes and expenditures for the year ending 31.12.2024 and additional information given below;

**Expenditures:**

Salaries and wages 4,000

Office Expenses 4,000

Depreciation 2,000

Excess of income over expenditure 4,000

**Incomes:**

Subscription 5,000

Donation 7,000

Entrance fee ( 1/3 receipt) 2,000

On 31.12.2024 Subscription outstanding is 1,000 , office expenses oustanding is 600 and salary prepaid is 400, Furniture 6,000 and Cash in hand on 01.01.2024 is 1,200