Reg. No.: ....

Name: ....

W7449

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	The main aim of a Not-for-profit organisation is to Options : A)earn profit B)maximise sales C)provide services D)increase capital	RE	2
2	Identify the accounting assumption on which the proprietor is treated as creditor to the extent of amount invested by him in the business Options : A)Money Measurement Concept B)Going Concern Concept C)Accounting Entity Concept D)Accounting Period Concept	RE	1
3	The primary purpose of preparing a **Trading Account** is to ascertain the: Options : A)Net Profit B)Financial Position C)Gross Profit or Gross Loss D)Operating Profit	UN	3
4	Income and Expenditure account is prepared by Options : A)a. Trading concerns B)b. Non-Trading concerns C)c. Manufacturing concerns D)d. Government	UN	4
5	GAAP stands for	UN	1
6	State with reasons whether the following statements are TRUE or FALSE: If there appears a sports fund, the expenses incurred on sports activities will be shown on the debit side of Income and Expenditure Account.	UN	6

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	Discuss the meaning of Marshalling of assets and liabilities	UN	3
8	Explain Contingent liability	UN	1
9	Varun enterprises purchased a machinery on 1.4.2021 at a cost of ₹ 800000 and spend ₹ 5000 for its installation. It is expected to have a working life of 6 years and by the end of which it would get a scrap value of ₹ 10000. Compute depreciation.	AP	3
10	Prepare a balancesheet with imaginary figures	AP	1
11	The following relate to a concern for the year 2019 Opening stock 15000 , Purchase 35000 , Direct expenses 4000 , Sales 80000 , Closing stock 12000 Find out Gross profit?	AP	3

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) On 01.04.2021, X Ltd bought a machinery costing ₹ 90,000 and spent ₹10,000 on its installation. Addition is made on 01.10.2021 for the value of ₹ 40,000. Depreciation is provided at 20% per annum. Prepare Machinery Account for the first 4 years under Diminishing Balance Method. Accounts are closed on March 31 OR B) On January 1, 2021, a company purchased a new machine for ₹100,000. The machine has an estimated useful life of 5 years and a residual value of ₹ 10,000. On July 1, 2021, the company purchased another machine for ₹ 50,000 with an estimated useful life of 4 years and a residual value of ₹ 5,000. On July 1, 2022, the company sold the first machine for ₹ 70,000. On July 1, 2023, the company purchased another machine for Rs. 80,000 with an estimated useful life of 6 years and a residual value of ₹ 8,000. Calculate the depreciation expense for the first three years (2021, 2022, and 2023) using the straight-line method. Assume, books of accounts closed on 31st December every year.	AP	2, 4
13	A) Construct a Trading Account from the following:- Opening stock Rs.18000 Purchases Rs.40500 Sales Rs.120000 Purchases return Rs.500	AP	3, 3

Qn No.	Question	CL	CO
	Wages Rs. 4000 sales return Rs1000 Carriage Rs.2900 Power and Fuel Rs.2010 Closing Stock is valued at Rs.24000 OR B) Give adjusting entries for the following cases (a) Goods drawn for personal use (b) Goods used in office (c) Goods distributed as free samples (d) Goods sent on sale or return basis		
14	A) Explain the different statements prepared by a non-profit organization at the end of the accounting year OR B) Distinguish between Receipt and payment account and income and Expenditure account	AN	4, 3
15	A) Analyse the significance of accounting standards in preparing financial statements. OR B) Explain the Consistency Principle and Conservatism Principle	AN	1, 1

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) Critically analyze how the fundamental accounting concepts, principles, and conventions collectively influence the preparation and presentation of financial statements. OR B) Explain the significance of Indian GAAP Accounting Standards.	AN	1, 3

Qn No.	Question	CL	CO
17	A) A manufacturing company, Sunrise Plastics Ltd., purchased machinery on 1st April 2020 for ₹1,800,000. The machinery has an estimated useful life of 10 years and an estimated scrap value of ₹100,000. The company follows the Written Down Value Method of Depreciation at a rate of 20% per annum, calculated on the book value at the beginning of each year. On 1st October 2022, the company purchased an additional machine for ₹600,000. The same depreciation rate applies, On 31st March 2024, the company sold the first machine purchased in 2020 for ₹900,000. The company charges depreciation up to the date of sale using the WDV method. Books of accounts are prepared on 31st March every year. Prepare Machinery Account for the years **2020–2021**, **2021–2022**, **2022–2023**, and **2023–2024**. OR B) On 1st July 2018, a company purchased a plant for ₹20,000, depreciation was provided at 10% per annum on straight line method on 31st December every year. With effect from 1st January 2020, the company decided to change the method of depreciation to diminishing balance method @ 15% per annum. Prepare plant account from 2018 to 2021.	EV	2, 2
18	A) From the following balances extracted from the books of Raga Ltd. Calculate net profit for the year ended December 31,2024	EV	3, 3

Qn No.	Question	CL	CO

Debit Balances	Amount	Credit Balances	Amount
Drawings	20,000	Sales	2,20,000
Land and Buildings	12,000	Capital	1,01,110
Plant and Machinery	40,000	Discount	1260
Carriage Inwards	100	Apprentice Premium	5230
Wages	500	Bills Payable	1,28,870
Salary	2,000	Purchase return	10,000
Sales Return	200		
Bank Charges	200		
Coal, Gas and Water	1200		
Purchases	1,50,000		
Trade Expenses	3800		
Stock (opening)	76,800		
Cash at Bank	50,000		
Rates and taxes	870		
Bills Receivables	24,500		
Sundry debtors	54,300		
Cash in Hand	30,000		
TOTAL	4,66,470	**TOTAL**	4,66,470

The additional information is as under:

1. Closing Stock was valued at the end of the year Rs.20,000.
2. Depreciation on plant and machinery charged at 5% and land and building at 10%.
3. Discount on debtors at 3%.

OR
B)

Explain the adjustment entries that are required to be made in the final accounts of a sole trader for the following:

a) Wages outstanding ₹ 4,000.

Qn No.	Question	CL	CO
	b) Rent prepaid ₹ 1,500. c) Goods in stock worth ₹ 1600 are destroyed by fire. The insurance company accepts the claim of ₹ 1,200. d) A debt of ₹ 700 previously written off is now recovered to the extent of ₹ 360. e) Interest has accrued on Investment ₹ 1,000. **f)** The proprietor has withdrawn goods worth ₹1,000 out of stock		
19	A) From the following prepare Income and Expenditure Account **Receipts and Payments account** ***for the year ended31st December2024***	CR	4, 4

Receipts	Rs.	Payment	Rs.
Balance cash in hand on 01/01/2024	9000	Honorarium to Secretary	3200
Subscription	12000	Printing and Stationery	1800
Entrance fees (½ to be capitalised)	6000	sports expenses	3800
Entertainment receipts	3000	Furniture	10000
sale of old newspaper	200	Entertainment expenses	2300
Bank loan	5000	Rent and rates	2400
		General Expenses	500
		Subscription to newspaper	1200
		Balance cash in hand on 31/12/2024	10000
	35200		**35200**

OR
B)

The following is the receipts and payments of Account of Officers Club , Trivandrum for the year ended 31 December 2020, Calculate the opening capital fund of the club.

Receipts and payments Account

Qn No.	Question	CL	CO

Receipts	Amount	Payment	Amount
To Balance b/d:		By salary	4,200
Cash in hand	300	General expense	4,500
Cash in current account	2,100	News papers and periodicals	1,500
Subscription(Rs.300 relate to 2019 and Rs. 200 relate to 2021)	12,000	Books	3,000
Fixed deposit	5,000	Printing and stationary	1,500
Entrance fee	1,000	Balance c/d:	
Miscellaneous collection	3,000	Fixed deposit	5,000
		Current account	300
		Cash in hand	3,400
	23,400		**23,400**

The followinginformation are given

	01-01-2020	31/12/202
Salary o/s	300	450
stock of stationary	**120**	**160**
Due for stationary	300	410
Books	4000	5500
Furniture	5000	----