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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) (071)/
BSC SPORTS MANAGEMENT (770) /
B.Sc IN BUSINESS ADMINISTRATION(B.Sc.BA) (755)
EXAMINATION: DECEMBER - 2025
SEMESTER - I
Sub.: Fundamentals of Financial Accounting-I/Fundamentals of Accounting
(BBA23-112, BBA24-112, BSBA24-112, BSC24-112)

Date : 18/12/2025**Total Marks : 60****Time: 10.00 am To 12.30pm**

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Bookkeeping is concerned with_____
 - a) Analyzing economic events b) Preparing tax returns
 - c) Recording and classifying financial d) Conducting audits
 transactions
2. In a double-entry system, the total debits always equal the total credits because of the_____.
 - a) Matching principle b) Dual aspect concept
 - c) Realization principle d) Money measurement concept
3. Personal accounts relate to_____.
 - a) Assets of the business b) Natural, artificial, or representative persons
 - c) Income and expenses d) Tangible and intangible items
4. What is recorded in the journal?
 - a) Only cash transactions b) All financial transactions
 - c) Only credit transactions d) Balancing of accounts
5. The Sales Returns Book is used for recording_____.
 - a) Goods returned by customers b) Cash discounts allowed
 - c) Sales made to customers d) Goods returned to suppliers

Q. 2. State True / False (05)

1. Debtors arise when goods or services are sold on credit, creating amounts receivable from customers.
 - a) True b) False
2. Sales Book is used to record credit sales of goods.
 - a) True b) False
3. The primary purpose of preparing a trial balance is to check the arithmetical accuracy of ledger accounts.
 - a) True b) False
4. The right side of a ledger account is called credit.
 - a) True b) False
5. Goods withdrawn by proprietor for personal use are treated as Drawings.
 - a) True b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Difference Between Capital and Drawing
2. Golden rule of accounting
3. Dual Aspect Concept
4. Trade Discount v/s Cash Discount
5. Utility of Bank Reconciliation

Q. 4. Answer in detail (Any Two) (20)

1. Mr. Gopal started a business on 1st September 2025. Below are the transactions for the month of September 2024. You are requested to pass journal entries.
 - 1) Mr. Gopal started business with cash ₹ 90,000 and a machinery of ₹ 50,000.
 - 2) Purchased goods worth ₹ 50,000 from Yash Traders on credit.
 - 3) Sold goods for ₹ 30,000 in cash.
 - 4) Paid ₹ 25,000 for office rent by a cheque.
 - 5) Bought furniture for ₹ 50,000, paid by a cheque.
 - 6) Paid ₹ 10,000 for advertisement.
 - 7) Withdrew ₹ 15,000 cash for personal use.
 - 8) Received commission income of ₹ 5,000 in cash.
 - 9) Paid ₹ 3,000 for office stationery in cash.
 - 10) Paid salaries to employees ₹ 30,000 in cash
2. The following balances were extracted from the books of Modern Traders as on 31st March 2024. Prepare a Trial Balance.

Drawings	15,000	Capital	200,000
Discount Allowed	1,500	Sales	120,000
Furniture	35,000	Creditors	22,000
Machinery	90,000	Bank Loan	6,500
Debtors	40,000	Cash	12,500
Insurance	3,600	Bank	28,000
Stationery	2,800	Purchases	75,000
Outstanding Rent	2,000	Wages	18,000
Provision for Bad Debts	2,000	Salaries	22,000
Interest Received	1,500	Rent	9,500
Reserve Fund	1,000	Carriage Inward	4,200
Bad Debts	2,400	Commission Received	3,200
Discount Received	1,300		

3. Classify the accounts in Personal Account, Real Account and Nominal Account

Advertisement Expenses	Land	Electricity Charges
Bad Debts	Machinery	Furniture
Bank Loan	Motor Vehicle	Goodwill
Building	Office Rent	Insurance Premium
Capital	Outstanding Wages	SBI Bank
Cash	Profit & Loss A/c	Stock
Commission Received	Purchase Return	Telephone Expenses
Creditors	Rahul Traders	Interest on Loan
Debtors	Reserve Fund	Drawings
Discount Allowed	Salaries	Sales

4. How is an overdraft balance treated in a bank reconciliation statement ?

Q. 5. The following are the transactions of Silver Traders for the month of June 2024: **(15)**

1. June 1: Started business with cash ₹ 50,000.
2. June 2: Deposited ₹ 20,000 into bank.
3. June 3: Purchased goods for cash ₹ 8,000.
4. June 5: Sold goods for cash ₹ 12,000.
5. June 7: Purchased goods by cheque ₹ 10,000.
6. June 10: Sold goods and received cheque ₹ 15,000.
7. June 12: Paid rent in cash ₹ 3,000.
8. June 15: Withdrew cash for personal use ₹ 4,000.
9. June 18: Paid wages by cheque ₹ 2,000.
10. June 20: Received additional capital ₹ 10,000 in cash.

Prepare the following accounts:

1. Capital Account
2. Cash Account
3. Purchase Account
4. Sales Account
5. Bank Account
