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Reg.No : .....

Name : .....

**MAHATMA GANDHI UNIVERSITY, KOTTAYAM**  
**MGU-UGP (HONOURS) REGULAR EXAMINATION MARCH 2025**  
**SECOND SEMESTER**  
**Multi Disciplinary Elective (MDE) - MG2MDCCOM100 - FUNDAMENTALS OF**  
**ACCOUNTING**  
(2024 ADMISSION ONWARDS)

**Duration: 1.5 Hours**

**Maximum Marks: 50**

*Remember(K), Understand(U), Apply(A), Analyse(An), Evaluate(E), Create(C), Skill(S), Interest(I) and  
Appreciation(Ap)*

Students should attempt at least one question from each course outcome to enhance their overall outcome  
attainability.

**Part A**

Very Short Answer Questions

Answer any **10** questions

Each question carries **1** marks

1. Which process involves explaining the meaning and significance of the relationship [U] / [CO1]  
established by the analysis of accounting data?
2. What do you mean by drawings? [U] / [CO1]
3. What is the basic accounting equation ? [U] / [CO1]
4. What is a journal entry ? [U] / [CO1]
5. According to the traditional approach of golden rules of accounting, what is the rule [U] / [CO1]  
for nominal account?
6. Which is the book of secondary entry? [U] / [CO2]
7. What is another name for subsidiary books? [U] / [CO2]
8. What is the purpose of preparing a Trial Balance? [U] / [CO2]
9. Which side of the trading account records opening stock? [U] / [CO3]
10. What are closing entries? [U] / [CO3]
11. Give two examples of current liabilities [U] / [CO3]
12. Which type of expenses are recorded in the profit and loss account? [U] / [CO3]

**[1x10 = 10]**

## Part B

### Short Answer Questions

Answer any 4 questions

Each question carries 5 marks

13. What are the procedures for balancing an account? [U] / [CO2]
14. Why do you prepare financial statements? [U] / [CO3]
15. Use accounting equation to show the effect of the following transactions on assets, liabilities and capital. [A] / [CO1, CO2]
- John started business with cash ₹.20,000  
Purchased furniture for cash ₹.4,000  
Purchased goods on credit from Rahul ₹.3,000  
Purchased goods for cash ₹.4,000  
Sold goods for cash ₹.8,000
16. Pass opening journal entry with the following information: [A] / [CO1, CO2]
- |               |         |
|---------------|---------|
| Cash          | ₹2,000  |
| Debtors       | ₹3,000  |
| Stock         | ₹5,000  |
| Machinery     | ₹6,000  |
| Building      | ₹10,000 |
| Creditors     | ₹5,000  |
| Bills Payable | ₹1,000  |
| Capital       | ?       |
17. From the following prepare cash book [A] / [CO2]
- June 20xx
1. Started business with cash 25,000
  12. Received cash from Pooja 7,000
  17. Paid to Radhika 5,000
  19. Purchased stationery 3,000
  27. Paid to Maneesh 3,000
18. State whether the balance of the following accounts should be placed in debit column or credit column of the trial balance. Also apply imaginary figures to prepare a trial balance. [A] / [CO2]
1. Buildings
  2. Opening stock
  3. Cash at bank
  4. Sundry Creditors
  5. Sundry Debtors
  6. Capital
  7. Sales
  8. Purchases

9. Discount allowed  
10. Rent received

[5x4 = 20]

**Part C**

Essay Questions

Answer any 2 questions

Each question carries 10 marks

19. Prepare journal entries with the following information. Also prepare ledger accounts and trial balance. [A] / [CO2, CO4]

2024	Particulars	₹
Jan.1	Harish Started business with cash	20,000
Jan. 3	He opened a current account in the bank	5,000
Jan. 7	Purchased goods on credit from Rahul	4,000
Jan. 10	Paid to Rahul in full settlement	3,900
Jan. 13	Machinery purchased	2,000
Jan. 16	Goods sold to Swathi	3,000
Jan. 18	Amount received from Swathi	1,000
Jan.20	Salaries paid	700
Jan. 23	Rent received	300
Jan. 30	Interest paid	200

20. Enter the following in a simple cash book. [A] / [CO2, CO4]  
20xxNovember

1.	Cash balance	30,000
3.	Purchased goods for cash	3,000
7.	Paid travelling expenses	350
14.	Further capital brought in	11,000
15.	Purchased furniture for cash	5,000
19.	Drew for personal use	7,500
20.	Received interest	2,300
26.	Sold goods for cash	5,000
28.	Paid to Samuel	9,000
30.	Paid salaries	3,900

21. From the following ledger balances of M/s Gamma Exports, prepare Trading and Profit & Loss Account for the year ending 31st March 20xx. [A] / [CO3, CO4]

Ledger Balances	Amount (₹)	Ledger Balances	Amount (₹)
Opening stock	1,20,000	Interest on loan	25,000
Purchases	5,50,000	Discount allowed	15,000
Sales	9,50,000	Discount received	12,000
Sales return	40,000	Office expenses	35,000

Purchases return	25,000	Commission received	18,000
Carriage inward	28,000	Repairs to plant	12,000
Freight inward	20,000	Factory rent	25,000
Wages	50,000	Interest on investments	15,000
Salaries	90,000	Factory lighting	20,000
Rent	60,000	Advertisement expenses	30,000
Depreciation on Machinery	20,000		

Additional Information: Closing Stock is valued at ₹1,80,000.

[10x2 = 20]