

**R.N.G.PATEL INSTITUTE OF TECHNOLOGY-RNGPIT**  
(An Autonomous Institute U/s UGC Act 1956)

**IMBA SEMESTER-I, SEMESTER END EXAMINATION – WINTER 2025**

**Subject Code: 2BB0102**

**Date: 15-12-2025**

**Subject Name: ELEMENTS OF ACCOUNTING**

**Time: 11:00 AM to 1:30 PM**

**Total Marks: 70**

**Instructions**

1. It is **compulsory** for students to write **Enrolment No. /Seat No.** on the question paper.
2. Write answers of **Section A** and **Section B** in **separate answer books**.
3. Attempt all questions from both **Section A** and **Section B**.
4. Each section carries **35 marks**, with a total of **70 marks** for the examination.
5. The figures to the right of each question indicate full marks, make suitable assumptions with justification.
6. BL - Bloom's Taxonomy Levels (R-Remember, U-Understanding, A –Application, N –Analyze, E – Evaluate, C -Create), CO - Course Outcomes.

**SECTION A**

	Marks	BL	CO
<b>Q.1 Multiple-Choice Questions</b>	<b>[05]</b>		
(a) Which of the following best describes <i>Bookkeeping</i> ?	<b>1</b>	<b>U</b>	<b>1</b>
(i) The process of interpreting and analyzing financial data			
(ii) The recording of financial transactions in a systematic manner			
(iii) The preparation of financial statements			
(iv) The comparison of profits over two accounting periods			
(b) In the double entry system of accounting, every transaction affects:	<b>1</b>	<b>R</b>	<b>1</b>
(i) Only one account			
(ii) Two or more accounts equally			
(iii) Only the cash account			
(iv) Only the capital account			
(c) The main objective of accounting is to:	<b>1</b>	<b>R</b>	<b>1</b>
(i) Determine the selling price of goods			
(ii) Record only cash transactions			
(iii) Ascertain profit or loss and the financial position of the business			
(iv) Provide data for tax collection only			
(d) The process of transferring entries from the journal to the respective ledger accounts is called:	<b>1</b>	<b>U</b>	<b>2</b>
(i) Journalizing			
(ii) Balancing			
(iii) Posting			
(iv) Recording			

- (e) Which of the following books records only *small, frequent cash payments* such as postage or stationery? 1 R 2
- (i) Cash Book (ii) Sales Book
- (iii) Petty Cash Book (iv) Purchase Book

**Q.2 Attempt Any Two** [10]

- (a) Explain the debit and credit rules of accounting. 5 U 1
- (b) ABC Traders is a sole proprietorship firm. Below are the transactions for the month of May 2025. Record the journal entries in the books of ABC Traders: 5 R 1
- May 2: The owner, Mr. A, invested Rs 20,000 in cash into the business.
- May 5: Purchased machinery worth Rs 12,000 for cash.
- May 8: Sold goods for Rs 18,000 on credit to Mr. X.
- May 12: Paid wages amounting to Rs 4,500.
- May 15: Paid Rs 2,000 for electricity bill.
- (c) DEF Traders is a sole proprietorship firm. Below are the transactions for the month of July 2025. Record the journal entries in the books of DEF Traders: 5 R 1
- July 2: The owner, Mr. X, withdrew Rs 8,000 for personal use.
- July 4: sold goods worth Rs 6,000 on credit to Mr. Y.
- July 7: Purchase goods worth Rs 10,000 for cash.
- July 10: Paid Rs 2,500 for the office telephone bill.
- July 15: Received Rs 5,000 from Mr. Y for a previous credit sale for full settlement.

**Q.3 Attempt Any Two** [10]

- (a) Record the following transactions in the Purchase Book of Gupta Enterprises for March 2025: 5 U 2
- March 1 – Purchased from Sharma & Sons 100 shirts @ ₹450 each, terms: 20% trade discount.
  - March 10 – Bought from Fashion Hub 50 trousers @ ₹700 each, less 15% trade discount.
  - March 17 – Purchased from Cotton Mills 200 T-shirts @ ₹250 each, less 5% trade discount.
- (b) Enter the following transactions in the Sales Book of M/s Bright Electronics for May 2025: 5 U 2
- May 3 – Sold to Rajesh Electronics 10 TVs @ ₹25,000 each, less 5% trade discount.
  - May 7 – Sold to Modern Appliances 5 refrigerators @ ₹35,000 each, less 10% trade discount.
  - May 15 – Sold to City Stores 8 washing machines @ ₹22,000 each, less 8% trade discount.

(c) Prepare a Double Column Cash Book from the following transactions: **5 R 2**

Date	Transactions
Aug 1	Cash in hand ₹8,000, Bank balance ₹12,000
Aug 2	Deposited ₹3,000 into bank
Aug 3	Received ₹2,500 in cash from Suresh
Aug 5	Paid ₹1,200 to Ramesh by cheque
Aug 7	Withdrew ₹1,000 from bank for office use
Aug 9	Paid office expenses ₹800 in cash
Aug 11	Received cheque from Mahesh ₹2,000, deposited in bank
Aug 13	Withdrew ₹500 from cash for personal use

**Q.4 Attempt Any Two [10]**

(a) Discuss any three accounting concept or conventions in detail. **5 R 1**

(b) Enter the following transactions in the Purchase Book of M/s Ramesh & Co. for April 2025: **5 R 1**

1. April 2 – Purchased from Mohan Traders 50 chairs @ ₹800 each, terms: 10% trade discount.
2. April 6 – Bought from Star Furniture 20 tables @ ₹1,500 each, terms: 5% trade discount.
3. April 12 – Purchased from Office World 10 cupboards @ ₹3,000 each, less 15% trade discount.
4. April 20 – Bought from Steel Mart 5 racks @ ₹4,500 each, less 10% trade discount.

(c) Prepare a Triple Column Cash Book from the following transactions: **5 N 2**

Date	Transactions
Aug 1	Cash in hand ₹10,000; Bank balance ₹15,000
Aug 2	Deposited ₹5,000 into the bank
Aug 3	Received ₹2,000 from Ram after allowing ₹100 discount
Aug 5	Paid ₹1,000 to Shyam and received ₹50 discount
Aug 8	Purchased goods by cheque ₹4,000
Aug 10	Withdrew ₹2,000 from bank for office use
Aug 12	Paid rent ₹1,500 in cash
Aug 15	Received cheque from Ramesh ₹3,000, deposited into bank

## SECTION B

**Marks BL CO**

**Q.5 Multiple-Choice Questions**

**[05]**

- |  |          |          |          |
|--|----------|----------|----------|
| <b>(a)</b> In which of the following options it is counted as a debit balance? | <b>1</b> | <b>R</b> | <b>3</b> |
| <b>(i)</b> Bank loan   |          |          |          |
| <b>(ii)</b> Cash   |          |          |          |
| <b>(iii)</b> payable account   |          |          |          |
| <b>(iv)</b> owner's equity   |          |          |          |
| <b>(b)</b> Which of the methods is used to create a trial balance?             | <b>1</b> | <b>R</b> | <b>3</b> |
| <b>(i)</b> Compound method   |          |          |          |
| <b>(ii)</b> Total method   |          |          |          |
| <b>(iii)</b> Balance method  |          |          |          |
| <b>(iv)</b> All of the above   |          |          |          |
| <b>(c)</b> Purchase of computer is type of which expenses?                     | <b>1</b> | <b>U</b> | <b>3</b> |
| <b>(i)</b> Revenue   |          |          |          |
| <b>(ii)</b> Capital  |          |          |          |
| <b>(iii)</b> Purchase expenses   |          |          |          |
| <b>(iv)</b> Sales Expenses   |          |          |          |
| <b>(d)</b> Goodwill noted in balance sheet in which side?                      | <b>1</b> | <b>R</b> | <b>4</b> |
| <b>(i)</b> Liabilities   |          |          |          |
| <b>(ii)</b> Both Liabilities & Assets  |          |          |          |
| <b>(iii)</b> Assets  |          |          |          |
| <b>(iv)</b> All of the above   |          |          |          |
| <b>(e)</b> Salary noted in ?   | <b>1</b> | <b>R</b> | <b>4</b> |
| <b>(i)</b> Trading account   |          |          |          |
| <b>(ii)</b> Profit & loss account  |          |          |          |
| <b>(iii)</b> Balance sheet   |          |          |          |
| <b>(iv)</b> None of the above  |          |          |          |

**Q.6 Attempt Any Two**

**[10]**

- |   |          |          |          |
|---|----------|----------|----------|
| <b>(a)</b> Explain importance of trial Balance? | <b>5</b> | <b>U</b> | <b>3</b> |
| <b>(b)</b> Explain types of Error?              | <b>5</b> | <b>R</b> | <b>3</b> |

- (c) Prepare trial balance of Ram for the year end on 31/3/2025 5 N 3

Particular	Rs	Particular	Rs
Stock	10,000	Equity share capital	15,000
Bills payable	5,000	Machinery	10,000
Bank overdraft	5,000	Land	5,000
Goodwill	15,000	Debtor	7,000
General Reserve	7,000	Creditor	7,000
Bank loan	8,000		

**Q.7 Attempt Any Two** [10]

- (a) Explain capital Expense? 5 R 4

- (b) Explain suspense account? 5 R 4

- (c) Prepare trading account 5 N 4

Particular	Rs	Particular	Rs
Opening Stock	10,000	Purchase	24,000
Sales	50,000	Sales return	5,000
Purchase return	10,000	Closing stock	20,000
Wages	5,000		

**Q.8 Attempt Any Two** [10]

- (a) Explain Difference between Trail balance sheet and balance sheet 5 R 4

- (b) From the following balance prepare trading , P &L for the year ending 31/3/2025 and balance sheet as on that date 5 N 4

Particular	Rs	Particular	Rs
Sales	1,00,000	Purchase	70,000
Salary	50,000	Wages	30,000
Debenture	1,00,000	Rent received	18,000
Opening Stock	10,000	Interest received	32,000
Bills payable	5,000	Cash on hand	44,000
Bank overdraft	5,000	Bank balance	56,000
Goodwill	15,000	Equity share capital	15,000
General Reserve	7,000	Machinery	10,000
Bank loan	8,000	Land	5,000
Patent	15,000	Debtor	7,000
Capital Reserve	7,000	Creditor	7,000
HDFC bank loan	8,000		

- (c) Explain Purchase expense and sales expense? 5 R 3

\*\*\*\*\*