



Humbal

Avinashilingam Institute for Home Science and Higher Education for Women
Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD (now MoE)
Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641043, Tamil Nadu, India

Bachelor of Degree Examination - November 2025
I Semester

Class : I UG
Major : Bachelor of Business Administration

Time : 3 Hours
Max. Marks : 100

25BBAC03 Financial Accounting with Application Software

Course Outcomes:

- After completion of the course the students will be able to
- CO1** Understand accounting principles and global standards and identify metrics and classify Business Income and Expenditure, Cost and Revenue Centers.
 - CO2** Comprehend the meaning of depreciation and methods of accounting for depreciation
 - CO3** Use Computerized Accounting software (Tally ERP) for basic accounting
 - CO4** Record the accounting transactions and maintain books of accounts manually and using Tally ERP
 - CO5** Prepare and interpret final accounts of trading concerns and non trading concerns.

Part A
Choose the Correct Answer

10 x 1 = 10

1. Double Entry System of bookkeeping was first introduced by _____ CO1 K1
a) Luca Pacioli b) Adam Smith c) Karl Marx d) Keynes
2. Which of the following is a real account? CO1 K2
a) Cash b) Capital c) Rent d) Salary
3. The main objective of preparing a Trial Balance is to _____ CO2 K1
a) Check arithmetical accuracy b) Compute profit
c) Control cash d) Record transactions
4. Which method of depreciation provides equal charge each year? CO2 K1
a) Sinking Fund b) Annuity c) Straight Line d) WDV
5. FIFO method is used in relation to _____ CO2 K2
a) Inventory b) Depreciation c) Fixed Assets d) Liabilities
6. Income and Expenditure Account is prepared by _____ CO3 K2
a) Sole Proprietor b) Partnership
c) Non-Trading Concern d) Company
7. GAAP refers to _____ CO3 K3
a) Generally Accepted Accounting Principles b) General Average Accounting Policy
c) Government Approved Accounting Process d) None
8. In Tally ERP, Stock Groups are created under _____ CO3 K3
a) Gateway of Tally b) Inventory Info c) Accounts Info d) Display
9. The difference between assets and liabilities is called _____ CO3 K4
a) Income b) Expenditure c) Capital d) Reserve
10. Depreciation is charged on _____ CO3 K4
a) Current Assets b) Fictitious Assets c) Fixed Assets d) Current Liabilities

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. Explain the need and importance of accounting principles. CO2 K2
(or)
- 11.b. Write short notes on IFRS and its significance in global accounting. CO2 K2
- 12.a. Mr. Ravi commenced business on 1st April 2025. The following are his ledger balances:

Purchases Account	25,000	CO3 K3
Rent Account	2,000	
Salary Account	3,000	
Drawings Account	1,500	
Capital Account	50,000	
Sales Account	20,000	
Ramesh Account (Creditor)	10,000	

You are required to prepare Trial Balance as on 30th April 2025.

(or)

- 12.b. Explain the different methods of depreciation with examples. CO3 K2
- 13.a. Discuss the significance of inventory valuation in business. CO3 K2
- (or)
- 13.b. Explain FIFO and Weighted Average methods of inventory valuation. CO3 K2
- 14.a. What are the adjustments required in preparation of Final Accounts? Explain. CO4 K2
- (or)
- 14.b. Explain the concept of Matching Principle in the measurement of income. CO4 K2
- 15.a. Distinguish between Income and Expenditure Account and Profit and Loss Account. CO4 K3
- (or)
- 15.b. Explain the preparation of Receipts and Payments Account with the help of the following transactions of Greenfield Club for April 2025: CO4 K3
1. Cash in hand at beginning – ₹5,000
 2. Subscriptions received – ₹12,000
 3. Donations received – ₹3,000
 4. Sale of old newspapers – ₹500
 5. Rent paid – ₹2,500
 6. Stationery purchased – ₹1,000
 7. Salaries paid – ₹4,000
 8. Closing cash in hand – Balance?

Prepare the Receipts and Payments Account of the Club for April 2025.

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 16.a. Explain in detail the concepts, conventions and limitations of accounting. CO2 K2
- (or)
- 16.b. Discuss the role of Computerized Accounting Systems with special reference to Tally ERP. CO2 K2
- 17.a. Mr. Arjun started business on 1st July 2025 with the following transactions: CO2 K3
1. Commenced business with cash ₹80,000.
 2. Purchased furniture for cash ₹10,000.
 3. Purchased goods on credit from Meena Traders ₹25,000.
 4. Sold goods for cash ₹15,000.
 5. Sold goods on credit to Ramesh ₹12,000.
 6. Paid office rent ₹4,000.
 7. Salaries paid ₹6,000.
 8. Cash withdrawn by proprietor for personal use ₹2,000.
 9. Paid Meena Traders ₹15,000 by cheque.
 10. Received ₹8,000 from Ramesh.

You are required to prepare:

- (a) Journal Entries,
- (b) Ledger Accounts, and
- (c) Trial Balance as on 31st July 2025.

(or)

- 17.b. Explain the causes of depreciation and illustrate the Straight Line Method with example. CO2 K3
- 18.a. Explain various Inventory Record Systems. Illustrate with example. CO3 K4
- (or)
- 18.b. Discuss the application of Accounting Standards in valuation of Inventory. CO3 K4

19.a. From the following balances extracted from the books of M/s. Anitha & Co. as on March 2025, prepare:

1. Trading Account
2. Profit & Loss Account
3. Balance Sheet

Trial Balance of M/s. Anitha & Co. as on 31.03.2025

Particulars	Debit (₹)	Credit (₹)
Capital	1,00,000	
Drawings	5,000	
Opening stock	20,000	
Purchases	80,000	
Sales	1,50,000	
Returns outward	5,000	
Returns inward	3,000	
Wages	10,000	
Salaries	12,000	
Rent	6,000	
Carriage inward	4,000	
Carriage outward	2,000	
Furniture	15,000	
Debtors	25,000	
Creditors	20,000	
Cash in hand	8,000	
Total	1,90,000	1,90,000

Adjustments:

1. Closing Stock valued at ₹25,000.
2. Outstanding Salaries ₹2,000.
3. Rent paid in advance ₹1,000.
4. Depreciate Furniture @ 10%.

(or)

19.b. Explain the concept of Capital and Revenue with suitable examples.

CO4 K3

20.a. The following is the Receipts and Payments Account of Chennai Sports Club for the year ended 31st March 2025:

Receipts and Payments A/c for the year ended 31st March 2025

Receipts	Amount (₹)	Payments	Amount (₹)
Balance b/d (Cash in hand)	10,000	Salaries	20,000
Subscriptions received	50,000	Rent	12,000
Entrance Fees	5,000	Printing & Stationery	3,000
Donations	8,000	Sports Materials purchased	15,000
Sale of Old Furniture	2,000	Furniture purchased	8,000
Interest on Investments	4,000	Investments	5,000
		Balance c/d (Cash in hand)	16,000
Total	79,000	Total	79,000

Additional Information:

1. Outstanding Salaries ₹2,000.
2. Prepaid Rent ₹2,000.
3. Entrance Fees to be capitalized.
4. Sports Materials consumed during the year ₹10,000.

You are required to prepare the Income and Expenditure Account for the year ended 31st March 2025.

(or)

20.b. Explain the accounting treatment of subscriptions, donations, and legacies in Non-Trading Concerns.

CO4 K3