

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: BBA/IMBA/BSC.
BRANCH: MANAGEMENT/BA**

**SEMESTER : I
SESSION : MO/2025**

SUBJECT: MN25108 INTRODUCTION TO BUSINESS ACCOUNTING

TIME: 3 Hours

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
 2. Attempt all questions.
 3. The missing data, if any, may be assumed suitably.
 4. Before attempting the question paper, be sure that you have got the correct question paper.
 5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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		CO	BL
Q.1(a)	Give the three Golden Rules of Accounting with examples	[5] 1	1
Q.1(b)	What are the four accounting conventions? How are they different from concepts?	[5] 1	1
Q.2(a)	Pass the journal entries for the following transactions for the year ending 31st December 2025 in the books of M/S Tick Tack Ltd. 1. Business started with a cash balance of 500000 2. Purchase of materials 50000 for cash 3. Purchase of machinery 100000 and payment made through bank 4. Sales to customers 100000 out which 20000 are credit sales to Mouse Ltd. 5. Wages paid to workers in cash 10000 and salaries paid to staff 25000 , 5000 salaries are outstanding.	[5] 2	3
Q.2(b)	Compute the cost of goods sold by using the information given below and preparing the trading account. Opening stock : 500000 Purchases 400000 Wages paid 250000 Sales 1500000 Closing stock : 750000	[5] 3	5
Q.3(a)	Advertisement expenses are which type of expenses? Explain their treatment in final accounts. If a second hand machine is purchased and there are repair charges on that what type of expense is that, give its accounting treatment in final accounts Also differ between the expense and expenditure, and what is their treatment in final accounts	[5] 3	4
Q.3(b)	Bifurcate the following in capital and revenue income 1. Payment received on sale of investments 2. Profit on sale of furniture 3. Sales 4. Discount received from creditors on payment of amount due to them 5. Income on sale of houses of an infrastructure firm	[5] 3	4

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- Q.4(a) Differentiate between the Income and Expenditure account from Receipt and Payment Account [5] 4 2
- Q.4(b) Compute the amount of subscription to be added to the income side of Income and Expenditure account [5] 5 5

Subscription received during the year 500000

Outstanding Subscription at the beginning of current year 100000

Outstanding subscription at the end of current year 50000

Subscription received in advance in the beginning of the current year 200000

Subscription received in advance at the end of current year 300000

- Q.5(a) What are the different types of negotiable instruments ? [5] 2 2
- Q.5(b) Pass necessary journal entries in the books of seller M/s A Ltd and buyer M/s B Ltd [5] 4 4

Goods worth Rupees 500000 are sold by M/S A to M/s B on 1st April 2025 and A draws a bill to receive money from B due date of which is 30 June 2025. A discounts the bill from bank on 20th May 2025 and payment is made by B on due date.

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