



Reg. No.:

Name:

University of Kerala

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

COMMERCE

UK1DSCCOM100 - Accounting Principles and Standards

Academic Level: 100-199

2024 Admission onwards

Time: 2 Hours(120 Mins)

Max. Marks: 56

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each,
Answer all questions

Qn No.	Question	CL	CO
1	Choose the accounting concept that states that transactions that can be measured in terms of money only are required in the books of accounts Options : A)A. Accounting Entity B)B. Going concern C)C. Money measurement D)D. Revenue recognition	RE	1
2	Preparation of Trial Balance helps, mainly in Options : A)Summarising business transactions B)Verifying that 'generally accepted accounting principles' have been observed C)Finalising the 'sources and uses of funds' statement D)Locating errors, if any, in books of accounts	RE	3
3	Book keeping primarily deals with Options : A)interpreting financial data B)recording financial transactions C)auditing accounts D)prepareing financial statements	UN	1
4	NPOs prepare which financial statement to show surplus or deficit? Options : A)Balance Sheet B)Cash Flow Statement C)Income \u005Cu0026 Expenditure Account D)Trading Account	UN	3
5	Choose the formula used for calculating cost of goods sold? Options : A)Cost of goods sold = Sales – Gross Profit B)Cost of goods sold = Sales + Gross Loss C)Cost of goods sold = Opening stock + Purchases -Closing stock D)All of the above	UN	3

Qn No.	Question	CL	CO
6	Capital expenditure is recognized as an asset because: Options : A)It benefits only the current period. B)It creates a benefit for future periods. C)It is recurring in nature. D)It involves receipt of cash.	UN	2

Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	Explain how the Business Entity Concept is applied when an owner withdraws ₹5,000 from the business for personal use. Why is this transaction recorded separately in the business books?	UN	1
8	Describe that intangible assets are amortized and not depreciated.	UN	4
9	Debtors in Trial Balance shows INR 30000, bad debts INR 800 and provision for bad debts INR 1,000. A further bad debts need to be provided. How will you adjust the amount of further bad debts in final accounts?	AP	3
10	A company discloses all material facts in its financial statements. Identify the principle and state its importance.	AP	1
11	Explain Deffered Revenue Expenditure	AP	2

Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) Apply the matching concept to explain how profit is calculated in a business. OR B) A company receives subscription income partly for the current year and partly in advance for the next year. How would you apply the accrual principle to determine the amount of revenue to be recognized in the current year's financial statements?	AP	1, 1
13	A) Calculate Gross profit Opening Stock – 14000 Purchase _ - 36,000	AP	3, 3

Qn No.	Question	CL	CO
	<p>Sales – 92,000</p> <p>Sales return – 2000</p> <p>Purchase return- 3000</p> <p>Wages – 4000</p> <p>Carriage inwards – 2500</p> <p>Power and fuel -1400</p> <p>Manufacturing expenses – 1600</p> <p>Clocking stock – 15,000 _</p> <p>OR</p> <p>B)</p> <p>Prepare adjusted entries for:</p> <p>a) Interest received in advance 2026 - Rs 1000 and 2027 Rs 2000</p> <p>b) Insurance prepaid</p>		
14	<p>A)</p> <p>List out the factor determining the amount of depreciation</p> <p>OR</p> <p>B)</p> <p>Apply the SLM method to compute annual depreciation:</p> <p>Machinery purchased for ₹1,20,000. Installation ₹10,000. Estimated life 5 years. Residual value ₹5,000. Calculate annual depreciation and show machinery account for one year.</p>	AN	4, 4
15	<p>A)</p> <p>Analyse the role of contingent assets and contingent liabilities in the preparation of financial statements.</p> <p>OR</p> <p>B)</p> <p>Differentiate between capital receipts and revenue receipts with suitable examples. Why is this distinction important for financial reporting?</p>	AN	2, 2

Part D.24 Marks. Time: 60 Minutes. (Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each. Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	<p>A)</p> <p>Distinguish between trial balance and balancesheet</p>	AN	3, 3

Qn No.	Question	CL	CO
	<p>OR</p> <p>B)</p> <p>Compare and analyse how each adjusting entry affects the profit and loss account and balance sheet</p> <p>Accrued income</p> <p>Prepaid rent</p> <p>Outstanding wages</p> <p>Depreciation on furniture</p> <p>Bad debts and provision for doubtful debts</p> <p>Goods distributed as free samples</p> <p>Interest on capital</p> <p>Interest on loan outstanding</p> <p>Prepare a comparative analytical table showing</p> <p>Which account is affected</p> <p>Whether profit increases / decreases</p> <p>Whether assets / liabilities increase / decrease</p> <p>Reason for each change</p>		
17	<p>A)</p> <p>Explain the following Accounting Standards in India</p> <p>AS 1, AS 2, AS 3, AS 6, AS 9 AND AS 19</p> <p>OR</p> <p>B)</p> <p>Evaluate the role of accounting standards in preventing manipulation of accounts and improving transparency. Give examples.</p>	EV	1, 1
18	<p>A)</p> <p>ANB Ltd. purchased a plant for ₹ 4,00,000 on 01-01-2021 and spent ₹ 50,000 for its installation. on 1st July 2021 a new machinery was purchased for Rs.20,000. on 1st April 2023 the machinery bought on 2021 was sold for Rs. 15000. It is decided to depreciate at 10% under written down value method. Accounting year closes on every 31st December. Prepare Plant Account for 4 years.</p> <p>OR</p> <p>B)</p>	EV	4, 4

Qn No.	Question	CL	CO
	In your opinion, which method of depreciation—straight-line method or written-down value method—is more appropriate for modern business? Evaluate by comparing both methods based on features and applicability		
19	<p>A)</p> <p>Develop a set of guidelines for students to differentiate between bookkeeping and accounting, including examples, diagrams, and clear explanations to support learning.</p> <p>OR</p> <p>B)</p> <p>A. State with reasons the treatment of the following items in books of accounts as capital expenditure or revenue expenditure</p> <ol style="list-style-type: none"> 1. ₹40,000 spent towards addition to the machinery 2. Carriage of ₹15,000 spent on machinery purchased and installed 3. Construction cost of extension of basement ₹75,000 4. Goods costing ₹10,000 distributed as free samples 5. ₹10,00,000 for Converting single screen cinema theatre to multi-screen cinema theatre 6. Legal cost incurred for collecting debts ₹5,000 	CR	1, 1