



K.R. MANGALAM UNIVERSITY

THE COMPLETE WORLD OF EDUCATION

Roll no.....

End Semester Examination, December 2024
B.COM LLB (H)- III Semester
ACCOUNTING FOR BUSINESS (MCBM103)

Time: 2.5 hrs.

Max Marks: **50**

Note: *All Questions are compulsory. Marks are indicated against each question.*

PART-A

Instructions: Attempt any five question in Part – A

Q.1.

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|----|--|---|--------------|
| A. | Discuss the impact of financial accounting principles on the comparability of financial statements | 2 | [CO-2] [L-1] |
| B. | What is the 'Accrual Concept' and how does it differ from the 'Cash Basis' of accounting? | 2 | [CO-1] [L-2] |
| C. | Define the 'Prudence Concept' and provide examples of its application | 2 | [CO-1] [L-2] |
| D. | Evaluate the effectiveness of accounting standards in improving financial reporting quality. | 2 | [CO-2] [L-1] |
| E. | What are the steps involved in the accounting cycle? | 2 | [CO-2][L-1] |
| F. | What are the steps involved in the accounting cycle? | 2 | [CO-3] [L-1] |
| G. | Evaluate the significance of the Cash Flow Statement in assessing the liquidity of a business | 2 | [CO-3] [L-1] |

2x5

PART-B

Q.2 Discuss the impact of misclassifying revenue expenditure as capital expenditure on financial statements. [CO-3] [L-2] **10**

OR

How are capital receipts different from revenue receipts? Provide examples. [CO-3] [L-2] **10**

- Q3. Prepare general journal entries for the following transactions of a business called Pose for Pics in 2016:
Aug. 1: Hashim Khan, the owner, invested Rs. 57,500 cash and Rs. 32,500 of photography equipment in the business.
04: Paid Rs. 3,000 cash for an insurance policy covering the next 24 months.
07: Services are performed and clients are billed for Rs. 10,000.
13: Purchased office supplies for Rs. 1,400. Cash paid Rs. 400 and remaining outstanding.
20: Received Rs. 2,000 cash in photography fees earned previously.
24: The client immediately pays Rs. 15,000 for services to be performed at a later date.
29: In addition, the business acquires photography equipment. The purchase price is Rs. 100,000, pays Rs. 25,000 cash and signs a note for the balance.

[CO-2] [L-3] 10

OR

Shah Sauood Marine is a boat repair yard. During **August 2016**, its transactions included the following:

- 03.** Loan taken from Habib Bank Ltd. of Rs. 25,000. Rs. 20,000 withdrawn for business and remaining in the bank a/c.
06. Paid rent for the month of August Rs. 4,400 and accrued rent expenses was Rs. 600.
12. At request of Kiwi Insurance, Inc, made repairs on boat of Jon Seaways. Sent bill for Rs. 5,620 for services rendered to Kiwi Insurance Inc. (credit Repair Service Revenue).
18. Made repairs to boat of Dennis Copper and collected in full the charge of Rs. 2,830.
20. After that, placed Advertisement in The Dawn of Rs. 165, payment to be made within 30 days.
25. Received a check for 5,620 from Kiwi Insurance Inc representing collection of the receivable of August 12.
30. Sent check to The Dawn in payment of the liability incurred on August 20.

[CO-2] [L-3] 10

- Q.4 On 1st April, 2007, a limited company purchased a Machine for ₹ 1,90,000 and spent ₹ 10,000 on its installation. At the date of purchase, it was estimated that the scrap value of the machine would be ₹ 50,000 at the end of the sixth year. Give Machine Account and Depreciation A/c in the books of the Company for 4 years after providing depreciation by Fixed Installment Method. The books are closed on 31st March every year.

[CO-3] [L-3] 10

OR

On 1st April, 2009, a Company bought Plant and Machinery costing ₹ 68,000. It is estimated that its working life is 10 years, at the end of which it will fetch ₹ 8,000. Additions are made on 1st April, 2010 to the value of ₹ 40,000 (Residual value ₹ 4,000). More additions are made on Oct. 1, 2011 to the value of ₹ 9,800 (Breakup value ₹ 800). The working life of both the additional Plant and machinery is 20 years. Show the Plant and Machinery account for the first four years, if depreciation is written off according to Straight Line Method. The accounts are closed on 31st March every year.

[CO- 3] [L-3] 10

- Q.5 How can CSR accounting enhance corporate transparency and accountability? [CO-4] [L-2] 10

OR

Discuss the main frameworks and standards used for CSR reporting, such as GRI and ISO 26000.

[CO- 4] [L-2] 10

10X4=40