SLOT: F1+TF1

REG. NO.: 24BBS0135

VIT
Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

VIT BUSINESS SCHOOL
CONTINUOUS ASSESSMENT TEST - I
FALL SEMESTER 2025-2026

Programme Name & Branch	: B.Tech (BBS)
Course Code	: MGT1064
Course Name	: Financial and Cost Accounting
Faculty Name(s)	: Dr. Gaurav Singh
Class Number(s)	: VL2025260105785
Date of Examination	:
Exam Duration	: 90 minutes

Maximum Marks: 50

General instruction(s):

- Answer All Questions
- M - Max mark; CO – Course Outcome; BL – Blooms Taxonomy Level (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)
- Course Outcome Statements:

CO 1: Enable the budding Technocrat Managers to understand the Financial Accounting Concepts.

CO 2: Process the accounting transactions leading to final statement of accounts.

Q. No	Question	M	CO	BL
1.	From the following descriptions, find which GAAP principle is used. Explain briefly with an example. A. A company purchased machinery for ₹5,00,000 in 2015. In 2025, its market value rises to ₹8,00,000, but the company still reports it in the balance sheet at ₹5,00,000. B. The managing director of a company spends ₹50,000 of the company's funds for a family holiday, but this expense is not recorded in the company's books. C. A retail chain prepares its financial statements every year ending on 31st March, regardless of fluctuations in its business cycle. D. A company uses the same straight-line method of depreciation every year for its delivery vans, to ensure comparability of financial statements over time. E. A company changes its method of inventory valuation from FIFO to Weighted Average and discloses the reason for the change in the notes to the accounts.	10	1	3
2.	Explain all accounting errors in detail with a suitable example.	10	1	2
3.	Prepare journal entries of the following transactions in proper format. April 1 – Mr. Arjun started business with cash ₹8,00,000 and goods (inventory) ₹2,00,000. April 3 – Purchased goods on credit from M/s Kapoor Traders, ₹3,50,000. April 5 – Sold goods for ₹1,80,000. April 8 – Returned goods to Kapoor Traders ₹25,000. April 10 – Sold goods to M/s Riya Stores ₹2,60,000. April 12 – Deposited ₹3,00,000 cash into the bank. April 15 – Received ₹2,55,000 from Riya Stores in full settlement. April 20 – Paid ₹3,20,000 to Kapoor Traders by bank; they allowed a ₹5,000 discount. April 25 – Paid wages ₹45,000 and office salaries ₹35,000; also paid rent ₹18,000. April 30 – Sold goods to Mr Vikash for ₹80,000.	10	2	3

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4.	Prepare ledger accounts of the Kapoor traders, Cash, Sales, Riya stores and Purchase from question no. 3.	10	2	3
5.	From the following balances extracted from the Ledger of Sri Narugopal, prepare the Trial Balance as on March 31, 2018. Prepare suspense account (if required) to match the trial balance and highlight separately.	10	2	4

Particulars	Amount (₹)	Particulars	Amount (₹)
Capital	75,00,000	Building	7,50,000
Plant	15,00,000	Stock on Aprilil 1, 2017	12,50,000
Cash in Hand	2,500	Cash at Bank	5,75,000
Commission Received	1,75,000	Rates, Taxes and Insurance	30,000
Discount (Dr.)	55,000	Discount (Cr.)	45,000
Purchases Return	50,000	Sundry Creditors	2,50,000
Interest Received	30,000	Sales	62,50,000
Repairing Charges	1,25,000	Book Debts	15,00,000
General Expenses	3,00,000	Rent	62,500
Wages	5,00,000	Purchases	48,00,000
Furniture	1,20,000	Carriage and Freight	75,000
Sales Return	90,000	Delivery Van	5,00,000
Loan Advanced	6,00,000	Travelling Expenses	50,000
Office Salaries	6,25,000	Drawings	6,00,000

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