



Model Paper

PAPER CODE -

OM-05/CFA-05/ADCA-05/DIT-05

Financial Accounting And Tally

Time: - 2:00 Hours

Max Mark's:-100

Section A

- Question 1:-** Commencement date of fiscal year is-
(a) 30st March (b) 30st April (c) 30st June (d) 1st April
- Question 2:-** Liquid asset is ---
(a) Intangible Assets (b) Tangible Assets (c) Liability (d) None
- Question 3:-** Guarantees undertaken is -
(a) Fixed Liability (b) Current Liability (c) Contingent Liability (d) None
- Question 4:-** Which one of following is not limitation of accounting -
(a) Inexactness (b) Manipulation (c) P/L A/C (d) All
- Question 5:-** Trading A/C is.....
(a) A statement (b) an A/c (c) Floating Capital (d) None
- Question 6:-** Which one of following are not Characteristics of accounting –
(a) Economic Events (b) Dual Entry (c) Measurement (d) Inexactness
- Question 7:-** _____ is beginning date of financial year
a. 1st January b. 1st February c. 1st March d. 1st April
- Question 8:-** Manufacturing expenses comes under _____ Group
a. Expenses (Indirect) b. Miss Expenses c. Direct Expenses d. none
- Question 9:-** Loss by Fire A/C is –
(a) Current liabilities (b) Fixed liabilities (c) Capital (d) None
- Question 10:-** Leasehold Properties is –
(a) Wasting assets (b) Capital (c) Bad debts (d) None

Section B True/ False

- Question 1:-** Assets=Liabilities + Capital.
- Question 2:-** Contingent Liability is also known as Doubtful Liability.
- Question 3:-** Wages is direct expense of organization/company.
- Question 4:-** Financial year commencement date is first April of running year.
- Question 5:-** Purchase Return A/C & Sale Return A/C both entries are ledger adjustment.
- Question 6:-** Trading A/C provide information of Net Profit or Net Loss.
- Question 7:-** P/L A/C provide Gross Profit or Gross Loss.
- Question 8:-** Balance Sheet is a statement of Asset & Capital.
- Question 9:-** Solvent firm is financially unsound.
- Question 10:-** Insolvent firm is financially sound.

Section C Long Type Question

- Question 1:-** What do you mean by final accounts? What are its constituents? Name them and briefly explain the purpose of each of them.
- Question 2:-** What do you mean by closing entries? Why are they passed? Explain your answer with illustrations.
- Question 3:-** Explain the term : (a) Net Purchase, (b) Net Sales (c) Net Assets.
- Question 4:-** Explain the following statements :
- (a) Balance sheet is not an account but it is the list of assets and liabilities.
- (b) Balance sheet and profit and loss account are inter-dependent.
- Question 5:-** Explain the function keys in Key as well as explain the Advantages of Financial Statement.
- Question 6:-** Mention the account and side where the following items will be treated.
- (a) Carriage, (b) Carriage on Sales, (c) Wages and Salaries,
(d) Investments, (e) Salaries and Wages, (f) Carriage on Purchase,
- Questions 7:-** Started business Dinesh & Sons.

2018		
Jan	1	Started business with cash Rs. 25,000/-
Jan	5	Purchased goods from Anil Rs. 3,000/-
Jan	8	Sold goods to Sunil Rs. 5,000/-
Jan	10	Purchased goods for cash Rs. 4,000/-
Jan	12	Sold goods for Rs. 8,000/-
Jan	15	Purchased goods from Anil Rs. 5,000/-
Jan	18	Paid cash to Anil Rs. 6,000/-
Jan	22	Received cash from Sunil Rs. 5,000/-
Jan	25	Sold goods to Sunil Rs. 10,000/-
Jan	28	Received cash from Sunil Rs. 7,000/-
Jan	31	Paid salary Rs. 2,000/-

Section A Multiple Choices

5*1=5

- Q1 :-** Drawing is –
 (a) Current liabilities (b) Fixed liabilities (c) Capital (d) None
- Q2 :-** Which of the following is used for voucher entry
 (a) Ledger Account (b) Groups (c) Sub-Groups (d) Depends on number of companies
- Q3 :-** If we purchase any fixed asset in credit, we can pass it from
 (a) Payment mode (b) Receipt mode (c) Journal mode (d) Contra mode
- Q4:-** Guarantees undertaken is -
 (a) Fixed Liability (b) Current Liability (c) Contingent Liability (d) Non
- Q5:-** Find out which is not a Default Ledger in Tally
 (a) Cash in Hand (b) Capital Account (c) Profit & Loss (d) None

Section B True/ False

5*1=5

- Q1:-** Loss by fire of goods a/c is payment posting.
- Q2:-** Loss by fire of goods is journal posting.
- Q3:-** salary a/c is personal a/c.
- Q4:-** JIO PVT LTD A/c is personal A/c.
- Q5:-** Drawing a/c is Personal a/c.

Section C Long Type Questions

5*10=50

Note: -Write **Any Five** answer of the following (**Question Number 8 and 9** is compulsory)-

- Q1:-** What is meant by Accounting Standards? Discuss the need and utility of Accounting Standards.
- Q2:-** Which Central And State Taxes Are Proposed To Be Subsumed Under GST?
- Q3:-** What do you mean by book-keeping? In What respects book-keeping is different from accounting?
- Q4:-** What do you mean by closing entries? Why are they passed? Explain your answer with illustrations.
- Q5:-** Explain-

- (a) Current Assets (b) Current Liabilities (c) Working Capital

Q6:- Explain the following statements:

- (a) Balance sheet is not an account but it is the list of assets and liabilities.
- (b) Balance sheet and profit and loss account are inter-dependent.

Q7:- What do you mean by Financial Accounting? Explain the main four limitations of Financial Accounting.

Q8:- Point out to which type of account, the following accounts belong:

8*2.5=20

- (a) Appreciation (b) Income tax (c) Bad debt (d) Depreciations
 (e) Reserve (f) CST (g) GST (h) VAT

Q9:- Started business PK and Manoj.

LEG-5+ENTRY-15=20

2019		
Jan-2019	1	Started business with cash Rs. 25,000/-
Jan-2019	5	Purchased goods from Anil Rs. 3,000/-
Jan-	8	Sold goods to Sunil Rs. 5,000/-

2019		
Jan-2019	10	Purchased goods for cash Rs. 4,000/-
Jan-2019	12	Sold goods for Rs. 8,000/-
Jan-2019	15	Purchased goods from Anil Rs. 5,000/-
Jan-2019	18	Paid cash to Anil Rs. 6,000/-
Jan-2019	22	Received cash from Sunil Rs. 5,000/-
Jan-2019	25	Sold goods to Sunil Rs. 10,000/-
Jan-2019	28	Received cash from Sunil Rs. 7,000/-
Jan-2019	31	Paid salary Rs. 2,000/-

Section-A Multiple Choices

10*1=10

Q1:- We can say that the business is in profit, when:

- | | |
|-------------------------------|-------------------------------|
| A) Assets exceed Expenditure | B) Income exceeds Liabilities |
| C) Income exceeds Expenditure | D) Income exceeds Liabilities |

Q2:- According to the double entry system of accounting, an account that obtains benefit is:

- | | |
|-----------|---|
| A) Credit | B) Debit |
| C) Income | D) No need to show as accounting record |

Q3:- Term "Credit" means_____ by the business.

- | | |
|--------------------------|---------------------------------|
| A) Receiving of benefits | B) It has no effect on business |
| C) Providing of benefits | D) It depends upon items |

Q4:- When a Liability is reduced or decreased, it is recorded on the:

- | | |
|--|---------------------------------------|
| A) Left or credit side of the account | B) Right or debit side of the account |
| C) Right or credit side of the account | D) Left or debit side of the account |

Q5:- When Capital is increased by an amount, it is recorded on the:

- | | |
|---------------------------------------|--|
| A) Right or debit side of the account | B) Left or credit side of the account |
| C) Left or debit side of the account | D) Right or credit side of the account |

Q6:- What type of expenses are paid out of Gross Profit?

- | | |
|---------------------|-----------------------------|
| A) General Expenses | B) Financial Expenses |
| C) Selling Expenses | D) All of the given options |

Q7:- Which of the following shows summary of a company's financial position at a specific date?

- | | |
|--------------------------|---------------------------------|
| A) Profit & Loss Account | B) Cash Flow Statement |
| C) Balance Sheet | D) Income & Expenditure Account |

Q8:- Which of the following is NOT an example of intangible assets?

- | | |
|---------------------|-------------|
| A) Franchise rights | B) Goodwill |
| C) Patents | D) Land |

Q9:- Which of the following is an example of business liability?

- | | |
|---------|--------------|
| A) Land | B) Building |
| C) Cash | D) Creditors |

Q10:- The unfavorable balance of Profit and Loss account should be:

- | | |
|----------------------------|-----------------------------------|
| A) Added in liabilities | B) Subtracted from current assets |
| C) Subtracted from capital | D) Subtracted from liabilities |

Section-B True / False

10*1=10

Q1:- Financial statements that reflect financial data for two or more periods are often referred to as comparative statements.

Q2:- Development of data that measure changes occurring from one accounting period to another is a form of horizontal analysis..

Q3:- One form of horizontal analysis is the development of an index- number trend series.

Q4:- Common size financial statements are a widely used vertical analysis technique.

Q5:- Generally, the first concern of a financial analyst is a firm's liquidity.

Q6:- The price earnings ratio is a measure of the relative attractiveness of common stock as an investment.

- Q7:-** The use of borrowed funds is known as trading on the equity.
- Q8:-** Total asset turnover measures the amount of sales generated by each dollar of asset.
- Q9:-** A common-size income statement usually shows each revenue or expense item as a percentage of net sales.
- Q10:-** A natural business year relates to a fiscal year ending when operations are at their lowest point.

Section-C Long type answer

Note:- Write any Four answer of the following Question but Seven is compulsory.

4*15=60

Q1. Explain the following terms briefly:

- | | | |
|-------------------------------------|-------------------------------------|---------------|
| (a) Business Transactions | (b) Assets | (c) Capital |
| (d) Working Capital | (e) Debtors | (f) Creditors |
| (g) Current assets and fixed assets | (h) Current and non-current assets. | |

Q2:- What do you mean by creditors? Classify it and mention two examples of each category.

Q3:- What do you mean contingent liability? Give its two examples.

Q4:- Give two examples of each:

- | | | |
|-------------------|------------------------|-----------------------|
| (i) Liquid assets | (ii) Fictitious assets | (iii) Wasting assets. |
|-------------------|------------------------|-----------------------|

Q5:- What is balance sheet? Explain its role for business.

Q6:- Write short notes of any three of given following-

- | | | |
|-------------------|--------------|--------------|
| (a) Provisions | (b) Reserves | (c) Discount |
| (d) Opening Entry | (e) Ledger | (f) Capital |

1*20=20

Q7:- Started business Ravi & Sons-

- | | |
|--------|---|
| Jan 1 | Started business with cash Rs.40,000/-. Goods worth Rs.15,000/-. Furniture worth Rs.5,000/- & Building worth Rs.10,000/-. |
| Jan 3 | Deposited into bank Rs.5,000/-. |
| Jan 5 | Purchased Goods from Anita worth Rs.5,000/- less 5% TD. |
| Jan 7 | Cash purchases Rs.8,000/-. |
| Jan 10 | Sold goods worth Rs.8,000/- to Sunita at 3% TD. |
| Jan 12 | Cash sales Rs.12,000/-. |
| Jan 15 | Purchased machinery worth Rs.25,000/- from Godrej & Co. on credit. |
| Jan 18 | Purchased goods worth Rs.7,500/- from Prasad at 5% TD. |
| Jan 19 | Purchase furniture worth Rs.5,000/-. |
| Jan 25 | Distributed goods worth Rs.1,000/- as free samples. |
| Jan 28 | Paid Rs.2,000/- by cash & 2,000/- by cheque to Anita. |
| Jan 29 | Uninsured goods worth Rs.3,000/- lost by fire. |
| Jan 30 | Received Rs.6,750/- from Sunita & allowed a discount of Rs.250/- |
| Jan 31 | Paid Rent Rs.1,500/- & Telephone charges Rs.2,500/- by cheque. |
| Jan 31 | Paid Salary Rs.2,000/-, Wages Rs.1,000/- & Electricity charges Rs.500/- by cash. |

Section - A

Short Answer Type Question

- Q 1. Mention any one cause responsible for the difference between current and fixed assets.
- Q2. Name two assets, which are current assets but not liquid assets.
- Q3. Mention two types of liabilities.
- Q4. Mention the formula for the calculation of working capital.
- Q5. Mention any one cause responsible for difference between expenses and losses.
- Q6. Name two intangible assets.
- Q7. Define accounting in your own words.
- Q8. What is the accounting year of the company.
- Q9. How do we show contingent liabilities in the books of accounts?
- Q10. Mention two advantages of accounting.
- Q11. Define the term 'Capital'
- Q12. Mention the headings in which capital is classified
- Q13. Name any three current assets.
- Q14. Name any two contingent liabilities.
- Q15. What is the normal time limit for the accounting year?
- Q16. Name the document, which is used as a source document for recording business transactions.
- Q17. Differentiate in one sentence between expenses and expenditure.

Section - B

Short Answer Type Question

- Q1. Define Book-keeping.
- Q2. Mention the objectives of Accounting in about 50 words.
- Q3. Explain the following terms briefly :
 - (a) Business Transactions
 - (b) Assets
 - (c) Capital
 - (d) Working Capital
 - (e) Debtors
 - (f) Creditors
 - (g) Current assets and fixed assets
 - (h) Current and non-current assets.
- Q4. What do you mean by creditors? Classify it and mention two examples of each category.
- Q5. What do you mean contingent liability? Give its two examples.
- Q6. Explain difference between accounting year and financial year.
- Q7. What do you mean by purchase, purchase return and net purchases?
- Q8. What is relationship between sales, Net sales and sales return?
- Q9. Mention the names of the proprietors of sole trade, partnership and company.
- Q10. Mention the different types of users of accounting information.
- Q11. Give two examples of each : (i) Liquid assets , (ii) Fictitious assets, (iii) Wasting assets.

Section - C

Short Answer Type Question

- Q1. What is accounting? Explain its objectives
- Q2. Define accounting and explain its limitations.
- Q3. What do you mean by book-keeping? In What respects book-keeping is different from accounting?
- Q4. Explain whether accounting is science or art or both.
- Q5. What is the importance of accounting in business activities?
- Q6. Explain briefly the advantage of accounting.

- Q7. Name the different steps involved in accounting and explain them briefly.
- Q8. What are the branches of accounting? Explain briefly.
- Q9. What is meant by financial accounting? Give any four differences between Book-keeping and accounting.
- Q10. Explain the meaning and process of accounting.
- Q11. What is accounting? Explain its four main advantages.
- Q12. What do you mean by Financial Accounting? Explain the main four limitations of Financial Accounting.

Section - D

Short Answer Type Question

- Q1. Give an example of a transaction which may be an expense for business and income for the businessman.
- Q2. Name the concept responsible for the origin of 'Double Entry System'.
- Q3. 'Business units last indefinitely' Mention the concept on which the statement is based.
- Q4. Name the concept, wherein revenue and cost is matched to identify profit of the business.
- Q5. Differentiate between concepts and conventions.
- Q6. Mention the full form of GAAP.
- Q7. Differentiate between comparability and consistency.
- Q8. Mention primary qualities of Accounting information.
- Q9. Name secondary qualities of Accounting information.
- Q10. Differentiate between gross income and net income.
- Q11. Explain the convention of consistency.
- Q12. Sales during the year is Rs. 2,00,000. Gross profit is 25% on cost. Find out gross profit.
- Q13. Calculate sales, if cost of sales is Rs. 80,000 and the gross loss is Rs. 33,000.
- Q14. Calculate capital, if total assets are Rs. 1,50,000, creditors for goods are Rs. 90,000 and creditors for expenses are Rs. 15,000.

Section - E

Short Answer Type Question

- Q1. Explain the meaning of 'Expense' in about 50 words.
- Q2. Explain the meaning of creditors for goods.
- Q3. What do you mean by the term "material facts in Accounting"? Explain.
- Q4. Name five direction expense.
- Q5. Differentiate between Gross Profit and Net Profit.
- Q6. Explain briefly the principle of Double Entry system.
- Q7. Why do accounting principles emphasize the use of historical cost as a baais for evaluating assets?
- Q8. Describe briefly the two primary the two primary qualities of useful accounting information.

Section - F

Long Answer Type Question

- Q1 (a) What do you mean by Accounting concepts? Explain the following concepts.
(b) Money measurement concept.
(c) Accounting period concept.
(d) Going concern concept.
(e) Historical Cost Concept.
- Q2 Explain the meaning of 'revenue'. Explain briefly the bases on which the revenue is ascertained.
- Q3 Explain the meaning and significance of the following
(a) Modifying principles of full disclosure
(b) Revenue realization concept.
(c) Modifying principles of industrial practice
(d) dual concept
(e) Principal of matching revenue with cost.
- Q4 Explain the meaning and importance of matching cost.
- Q5 Explain the meaning and significance of concepts and conventions in Accounting.
- Q6 Explain the following convention (Modifying Principal)
(a) Convention of disclosure
(b) Consistency convention
(c) Materiality convention
(d) Principle of conservatism

Section - G

Short Answer Type Question

- Q1 Supply missing figure on the basis of Accounting equation mentioned under:
- | | | | | |
|--------|---|-------------|---|---------|
| Assets | = | Liabilities | + | Capital |
| 40,000 | = | 20,000 | + | ? |
| ? | = | 10,000 | + | 15,000 |
| 50,000 | = | ? | + | 35,000 |
- Q2 Give two examples each of Assets and liabilities.
- Q3 Mention the classification of liability.
- Q4 If we receive Rs. 490 from our debtors in full settlement of a debt Rs. 500. What will be the accounting effect of Rs. 10 on Assets, liabilities and capital.
- Q5 If creditors worth Rs. 1000 are paid Rs. 980 in full settlement, what will be the accounting effect of Rs. 20.
- Q6 How will you show income received in advance (unearned income) in the Accounting equation?
- Q7 If goods costing Rs 9,500 are sold for Rs. 10,000, how the capital will be affected.
- Q8 Point out one transaction which will be affect capital only.

Section - H

Long Answer Type Question

- Q1 What do you mean by source document?
- Q2 Explain the meaning of Accounting Equation.
- Q3 Describe the fundamental accounting equation. How are the revenue and expenses accounting related.
- Q4 Discuss any seven basis transactions resulting from the relationship of assets, liabilities and capital.
- Q5 How will you deal with the following transactions in Accounting Equation?
(i) Interest on capital
(ii) Rent due but not received
(iii) Outstanding salaries
(iv) Amount withdrawn by the proprietor.
(v) Sale of goods costing Rs. 3,000 for Rs. 4,000 on credit.
(vi) Interest on loan borrowed by the firm
- Q6 Name the items effecting capital and explain them briefly.
- Q7 How will you deal with the following items in Accounting equation?
(a) Outstanding expenses (b) Prepaid expenses (c) Accrued income (d) Unearned income

Section - I

Short Answer Type Question

- Q1 Name the types of Personal Account.
- Q2 What is the classification of Impersonal Account?
- Q3 Define the term 'Debit'.
- Q4 Mention three situations, wherein liability of the business towards proprietors decreases.
- Q5 Define the term 'Credit'.
- Q6 What is the net effect of interest on capital on proprietors equity?
- Q7 Accounting to the modern approach of debiting and crediting accounts are classified in five basic terms. Name these terms.
- Q8 What is always the balance of Cash Account, whether Debit and Credit?
- Q9 What is rule of debiting and crediting Assets Accounts?
- Q10 We receive lesser amount in case of discount allowed and also bad debts. In what respects these two situations different.
- Q11 Every transaction has two aspects debit and credit. How is it true in case of Nominal Accounts?
- Q12 Write short notes on any two of the following (a) Compound entries, (b) Opening entries, (c) Trade discount.
- Q13 State to which class of account does each of the following belong?
- | | |
|--------------------------|-------------------------------------|
| (i) Trade mark | (ii) Commission received in advance |
| (iii) Accrued commission | (iv) Commission received. |

Section - J

Short Answer Type Question

- Q1 What are the different types of Account? Give three examples of each.
- Q2 Give the classification of Personal Accounts.
- Q3 Discuss briefly the limitations of the Double Entry System of Book-Keeping.
- Q4 Point out to which type of account, the following accounts belong:
- | | | | |
|-------------------|-----------------------------|---------------|-------------------|
| (a) Capital A/c | (b) Interest on Capital A/c | (c) Drawings | (d) Debtors A/c |
| (e) Creditors A/c | (f) Machine A/c | (g) Wages A/c | (h) Purchases A/c |
| (i) Sales A/c | (j) Sales Return A/c | | |
- Q5 In what respects Bad debts and Bad debts recovered Accounts are different from each other from Accounting points of view?
- Q6 Name basic accounting terms which are debited for increase.
- Q7 Mention basis accounting terms which are debited for decrease.
- Q8 Name and state three types of accounts.

Section - K

Long Answer Type Question

- Q1 What do you mean by journal ? Give a specimen of its format. Explain the contents of its columns.
- Q2 Every transaction has double aspects. Explain the statement with suitable examples.
- Q3 Explain the rule of debit and credit in case of the following:
- | | | | | |
|-------------|-------------|------------------|-------------|----------------------|
| (a) Revenue | (b) Expense | (c) Real Account | (d) Capital | (e) Nominal Account. |
|-------------|-------------|------------------|-------------|----------------------|
- Q4 What do you mean by 'Double Entry System' of Book-Keeping? Explain it clearly. Enumerate its advantages and disadvantages.
- Q5 Explain the rules of debit and credit in regards to the expenses and Income with two examples each.
- Q6 What are the different types of accounts? Explain with examples their rules of debit and credit.
- Q7 Explain the term:
- | | |
|---------------------------|----------------------------|
| (a) Opening journal entry | (b) Compound journal entry |
| (c) Narration | (d) Ledger folio. |
- Q8 Every debit must have its corresponding credit. Discuss this statement.

Section - L

Short Answer Type Question

- Q1 On which side of the Assets A/c, you will record its opening balance?
- Q2 What will be closing balance of Liabilities A/c, whether debit or credit?
- Q3 While closing Assets A/c we use the term Balance c/d, tell us whether balance c/d will be written at the debit side or credit side of the account.
- Q4 Mention the balance of stock A/c, Purchases A/c and Wages A/c, How will you close these accounts?
- Q5 What do you mean by Net Purchases?
- Q6 What is the balance of Purchases Return A/c and where its balance is transferred?
- Q7 Mention the balance of Drawing A/c, whether it is debit or credit.
- Q8 Salary A/c does not have any balance. Does outstanding salaries A/c have any balance? If yes, whether it is debit or credit.
- Q9 What is the balance of Prepaid Rent A/c Whether it is debit or credit.
- Q10 Mention two examples each of Assets, Liabilities, expenses and income.

Section - M

Short Answer Type Question

- Q1 Take into consideration the following accounts mentioned below and point out whether their balance will be transferred to (i) Trading A/c (ii) P/L A/c or the account will be closed as balance c/d.
(a) Cash A/c (b) Salaries A/c (c) Wages A/c (d) Capital A/c (e) Machine A/c
(f) Bank Overdraft A/c (g) Debtors A/c and (h) Creditors A/c
- Q2 Mention the kinds or Returns. What is the use of purchases return and sales return for the calculation of net purchases and net sales?
- Q3 Why do accounts have two sides?
- Q4 What do you mean by the debit and credit balance of an account? Explain briefly.
- Q5 Prepare the format of an account.
- Q6 Do we calculate the balance of Nominal Accounts, if not? How do we close it?
- Q7 Ledger is the principal book of business? Explain.

Section - N

Long Answer Type Question

- Q1 What do you mean by Ledger Posting? Explain its importance in Accounting.
- Q2 Explain the procedure for preparing Ledger Accounts through journal entry.
- Q3 How will you prepare Ledger Accounts of items appearing at the credit side of Cash Book?
- Q4 Why is it necessary to prepare Ledger Accounts, When we have got Subsidiary books and Journal?
- Q5 Which accounts can be prepared on the basis of Purchases book and sales book? Explain the process of preparing these accounts.
- Q6 Explain the procedure for balancing Ledger Accounts, while answering question classify accounts into assets liabilities, expenses and income.

Section - O

Short Answer Type Question

- Q1 Name the type of error:
- 1 Goods returned by Mohan was not passed through books of accounts.
 - 2 Cash sales to Mohan was debited to Mohan's account.
 - 3 Committing two errors which neutralize the effect of each other.
 - 4 Committing mistake in additions.
 - 5 Posting an account to the wrong side.
 - 6 Debiting purchases account for the purchase of building.
- Q2 Which of the following error will affect the agreement of the trial balance?
- 1 Under casting purchase book.
 - 2 Credit sales of Rs. 2,000 was recorded in the sales book with Rs. 200.
 - 3 Purchases of Rs. 3,000 from Brown was correctly entered in the Purchases book but posting to Brown's account was made with Rs. 300 only.
 - 4 In case of credit sales to Mohan, his account was short cast by Rs. 100, whereas Shyam was credited with 900 for goods purchased from him worth Rs. 1000.

- 5 Goods returned by Mohan was credited to Rohan.
 6 Goods taken by the proprietor for personal use was credited to sales account.
 7 Amount received from Sachin against bad debts written off last year was credited to bad debts account.
 Q3 Given four functions of Trial Balance.

Section - P

Short Answer Type Question

- Q1 Give short answer to the following questions?
 (a) Does the trial balance disclose all errors?
 (b) Enumerate the errors which are not detected by trial balance.
 (c) Is trial balance an account? If not, explain why?
 (d) Explain errors of transposition and prove that these errors are divisible by 9.
 (e) How will you locate an error if the posting is made at the wrong side of an account?
 (f) Explain compensating error with a suitable example.

Section - Q

Long Answer Type Question

- Q1 What is a trial balance? What are the different columns of a trial balance? Explain the different methods of preparing trial balance.
 Q2 Define trial balance. Why is it prepared? Is the trial balance a conclusive proof of arithmetical accuracy in the books of accounts?
 Q3 Bring out clearly the purpose and limitations of trial balance.
 Q4 How will you locate errors in the trial balance? What methods will you adopt? Explain the procedures to be adopted with suitable illustration.
 Q5 Discuss errors which remain undetected inspite of the agreement of the debit and credit columns of trial balance.
 Q6 Discuss those errors which the trial balance will be able to locate. Give at least three illustrations to support your answer.
 Q7 "Is trial balance a conclusive proof of the accuracy of the books of accounts"? Give example in support your answer.
 Q8 Is trial balance a conclusive proof of the accuracy of the books of account. If not, what are the errors which remain undetected inspite of its agreement.

Section - R

Short Answer Type Question

- Q1 Is maintenance of secret reserve legal?
 Q2 In what case the maintenance of secret reserve is not prohibited?
 Q3 Is it necessary for every business to maintain provision for depreciation?
 Q4 Name any three methods of providing depreciation.
 Q5 Mention any three important features of depreciation.
 Q6 Mention names of three factors affecting the amount of depreciation.
 Q7 Mention the formula for calculation depreciation under straight line method.
 Q8 In which account you will deal with the loss on sale of assets?
 Q9 Give four examples of capital reserve?

Section - S

Short Answer Type Question

- Q1 Explain the following term:
 (a) Obsolescence (b) Depletion (c) Fluctuation (d) Amortization
 Q2 Explain the meaning of Reserve.
 Q3 What is the effect of provision on financial statement?
 Q4 Describe briefly the dangers of secret reserve.
 Q5 What are the different causes of depreciation? Explain them briefly.

- Q6 What is the importance of making provisions for depreciation?
Q7 What are the reserves? Why are they created?

Section - T

Long Answer Type Question

- Q1 Explain the meaning of depreciation. Enumerate different methods of depreciation. Explain straight line method.
Q2 Why is it necessary to provide for depreciation? Explain the effect of depreciation on Profit and loss account and Balance Sheet.
Q3 Differentiate between straight line method and written down value method of providing depreciation.
Q4 Discuss the advantages and disadvantages of fixed installment method and diminishing balance method.
Q5 Explain the following
(a) Obsolescence (b) Amortization (c) Depletion (d) Fluctuation.
Q6 Explain the term reserve and provision. Give three examples of each.
Q7 Differentiate between reserve and provision.
Q8 What do you mean by secret reserve? How is it created? What purpose does it serve? Is there any danger in the creation of secret reserve?
Q9 Write short notes on the following:
(a) Provision for bad debts (b) Sinking fund (c) Capital reserve (d) Capital reserve
(e) General reserve (f) Specific reserve

Section - U

Short Answer Type Question

- Q1 Mention the case, in which the payment of the bill will be recorded in the books of Drawer.
Q2 What will be the amount of the fresh bill if a bill for Rs. 1,000 is renewed with interest of Rs. 20? (Suppose the interest has been received in cash).
Q3 Mention the period for which discount is calculated in case of discounting the bill.
Q4 What are the situation, in which the drawer does not pass entry regarding payment of the bill?
Q5 In case of dishonor of the bill, the drawer debits, one particular account in every situation. Name that account.
Q6 Mention the period for which the interest is calculated in case of renewal of the bill.
Q7 Mention whether noting charges is gain or loss or neither gain nor loss for drawer.
Q8 What are the different uses available to a holder for dealing with Bills Receivable?

Section - V

Short Answer Type Question

- Q1 Explain the meaning of days of grace and discuss its importance in the calculation of due date.
Q2 In what circumstances the bill is supposed to be dishonored? Mention these situations.
Q3 Explain the meaning of retiring the bill under rebate.
Q4 Explain the process of renewing the bill from accounting point of view.
Q5 What do you mean by Noting of the bill? Who is paid for it and who pays it?
Q6 What do you mean by Hundi? In what respects it is different from Bills of Exchange.
Q7 Describe any three advantages of Bill of Exchange.

Section - W

Long Answer Type Question

- Q1 What is a bills of exchange? distinguish between bills of exchange and a promissory note.

- Q2 Define bills of exchange. Prepare a specimen of it and also state characteristics of bills of exchange.
- Q3 Explain the advantages of bills of exchange.
- Q4 Explain the meaning of
- (a) days of grace (b) Retiring a bill under rebate
- (c) Noting charges (d) Accommodation bills.
- Q5 What do you mean by Accommodation Bill? In what respects does it differ from Trade Bill?
- Q6 Discuss the various uses of bills of exchange.
- Q7 What do you mean by renewal of a bill? In what cases bill will be assumed to be dishonored.
- Q8 How will you treat noting charges in the books of drawer, if :
- (a) The bill is retained by the drawer. (b) The bill has been discounted with the bank.
- (c) The bill has been endorsed. (d) The bill has been sent to bank for collection.
- Q9 What do you mean by renewal of a bill? How will you deal with interest in case of renewal of a bill?
- Q10 What is bills of exchange? Explain in brief and give its specimen.

Section - X

Long Answer Type Question

- Q1 What do you mean by final accounts? What are its constituents? Name them and briefly explain the purpose of each of them.
- Q2 Explain the importance and purpose of final accounts.
- Q3 What do you mean by closing entries? Why are they passed? Explain your answer with illustrations.
- Q4 Explain the term liquidity List out the items of assets and liabilities in the order of liquidity. Also list out be items in the balance sheet in the order of reverse liquidity.
- Q5 What do you mean by Gross profit and Net Profit? How are they different from each other?
- Q6 Explain (a) Current Assets, (b) Current Liabilities, (c) Working Capital.
- Q7 Explain the following statements :
- (a) Balance sheet is not an account but it is the list of assets and liabilities.
- (b) Balance sheet and profit and loss account are inter-dependent.
- Q8 Distinguish between trial balance and balance sheet and also between trading account and profit loss account.
- Q9 What are the limitations of financial statements? Discuss briefly.
- Q10 Explain the term : (a) Net Purchase, (b) Net Sales (c) Net Assets.

Section - Y

Short Answer Type Question

- Q1 Mention two points of difference between Trial Balance and Balance Sheet.
- Q2 Differentiate between Gross Profit and Net Profit.
- Q3 Name 4 direct and 6 indirect expenses.
- Q4 What is the utility of Balance Sheet.
- Q5 Point out any three points of difference between Profit and Loss Account and Balance Sheet.
- Q6 Mention the two formulas (expect the preparation of trading Account) for the calculation of Gross Profit.
- Q7 Explain briefly the object of Trading Account.
- Q8 Describe briefly three objects of preparing Profit and Loss A/c.
- Q9 What is difference between Trade Discount and Cash Discount.
- Q10 Explain briefly the two characteristics of position statement.

Section - Z

Short Answer Type Question

- Q1 Mention the account and side where the following items will be treated.
- (a) Carriage, (b) Carriage on Purchase, (c) Carriage on Sales, (d) Wages and Salaries,
- (e) Salaries and Wages, (f) Investments, (g) Discount on Creditors.
- Q2 How will you show the following items.

(i) Drawing

(ii) Return Inward (Bills returned)

(iii) Return outward.

Q3 Mention the stages of final account.

Q4 How will you treat expenses on acquiring goods.

Q5 Where will you show goods in transit A/c?

Q6 Give any two difference between Profit & Loss A/c and a Balance Sheet.

Question 1:- Started business Saurabh & Sons

2013		
Jan	1	Started business with cash Rs. 10,000/-
Jan	2	Purchased goods Rs. 2000/- on cash
Jan	5	Sold goods for cash Rs. 5,000/-
Jan	14	Purchased goods from Mr. Ram Rs. 7,000/-
Jan	15	Sold goods to Shyam Rs. 12,000/-
Jan	18	Paid cash to Mr. Ram Rs. 5,000/-
Jan	20	Received cash from Ms. Shyam Rs. 10,000/-
Jan	25	Deposited cash into Bank Rs. 3,000/-
Jan	27	Paid rent to landlord Rs. 1,500/-
Jan	31	Paid salary to staff Rs. 3,500/-

Question 2:- Started business Kishor

2013		
Jan	1	Kishor started business with cash Rs. 15,000/- and goods worth Rs. 5,000/-
Jan	2	Paid into bank Rs. 2,000/-
Jan	5	Cash Purchases Rs. 1,500/-
Jan	14	Purchased goods from Swami & Co. worth Rs. 1,000/- less 2% trade discount
Jan	15	Cash sales Rs. 2,000/-
Jan	18	Issued cheque to Swami and Co. for Rs. 490/- and he allowed us a discount of Rs. 10/-
Jan	20	Credit sales worth Rs. 1,000/- to Madhav less 5% trade discount
Jan	25	Paid salaries by cheque Rs. 150/- and by cash Rs. 200/-
Jan	27	Withdraw for private use Rs. 100/-
Jan	31	Deposited in the bank Rs. 400/-

Question 3:- Started business Ravi & Sons

2013		
Jan	1	Started business with cash Rs. 25,000/-
Jan	3	Deposited into bank Rs. 5,000/-
Jan	4	Purchased goods for cash Rs. 10,000/-
Jan	5	Sold goods for cash Rs. 15,000/-

Jan	6	Purchased goods from Sharma Rs. 5,000/-
Jan	7	Sold goods to Verma Rs. 8,000/-
Jan	8	Returned defective goods, to Sharma Rs. 500/-
Jan	9	Verma returned defective goods Rs. 1,000/-
Jan	10	Paid cash to Sharma Rs. 4,000/-
Jan	12	Received cash from Verma Rs. 6,000/-
Jan	15	Received interest Rs. 1,500/-
Jan	17	Received commission Rs. 2,000/-
Jan	18	Paid interest Rs. 1,000/-
Jan	20	Paid commission Rs. 1,500/-
Jan	22	Purchased goods from Sohan Rs. 8,000/-
Jan	24	Paid Rs. 3,000/- to Sohan by cheque.
Jan	25	Sold goods for cash Rs. 10,000/-
Jan	28	Deposited into bank Rs. 5,000/-
Jan	29	Paid Salary Rs. 5,000/- by cheque
Jan	30	Withdraw from bank Rs. 3,000/-
Jan	31	Paid rent to Landlord Rs. 2,000/-

Question 4:- Started business Manoj & Sons

2013		
Mar	1	Started business with cash Rs. 50,000/-
Mar	2	Cash Purchases Rs. 10,000/-
Mar	4	Cash Sales Rs. 18,000/-
Mar	5	Deposited into bank Rs. 15,000/-
Mar	7	Purchased goods from Anand Rs. 20,000/-
Mar	8	Sold goods to Vinod Rs. 25,000/-
Mar	10	Returned defective goods to Anand worth Rs. 1,500/-
Mar	12	Paid to Anand Rs. 12,000/- by cheque
Mar	14	Vinod returned defective goods to us worth Rs. 2,000/-
Mar	15	Received cash from Vinod Rs. 12,000/-
Mar	16	Purchased furniture Rs. 10,000/-
Mar	17	Purchased machinery worth Rs. 25,000/- from Varun & Co.
Mar	18	Sold old machinery for Rs. 2,500/-
Mar	20	Issued a cheque to Varun & Co. Rs. 10,000/-
Mar	21	Received interest of Investment Rs. 1,000/-
Mar	22	Received Dividend Rs. 2,000/-
Mar	23	Deposited into bank Rs. 5,000/-
Mar	25	Paid Salary by cheque Rs. 3,000/-
Mar	26	Paid Electricity charges Rs. 1,500/-
Mar	27	Paid Telephone bill by cheque Rs. 3,000/-
Mar	28	Withdrew from Bank Rs. 2,000/-

Question 5:- Started business George & Sons

2013		
July	1	Shri Kelkar invested in the business Rs. 40,000/- cash, goods worth Rs. 5,000/- and building worth Rs. 20,000/-
July	3	Purchased goods worth Rs. 15,000/- on cash , off 5% C.D.
July	4	Sold goods worth Rs. 5,000/- to K. Kulkarni at 10% T.D.
July	5	Cash Sale Rs. 5,000/- off 5% C.D.
July	7	Received from K. Kulkarni cash Rs. 4,000/- in full settlement of his A/c.
July	8	Open Bank A/c. with Central Bank by depositing Rs. 5,000/-
July	10	Borrowed Rs. 10,000/- from wife and introduced the same into the business
July	15	Exchanged old furniture worth Rs. 6,000/- by receiving goods worth Rs. 4,000/- and cash Rs. 4,000/-
July	17	Paid salaries to clerks Rs. 950/- by cheque and paid house Rent Rs. 500/-
July	19	Drew form business for personal use cash of Rs. 1,000/- and goods worth Rs. 500/-
July	26	Received interest of Rs. 250/- on fixed deposit A/c
July	27	Invoices goods to Ramesh Rs. 12,000/- allowed 5% T.D. on invoice price
July	28	Paid Fire insurance premium at 10% on fire policy of Rs. 20,000/-
July	29	Goods worth Rs. 5,000/- lost by fire and insurance company agreed to settle claim at Rs. 4,000/-
July	30	Bought stationery for office use Rs. 1,000/- and kept stationery of Rs. 200/- for house use.
July	31	Our customer Mr. Sachine Shetty has deposited Rs. 15,000 directly in our bank account as per our instruction

Question 6:- Started business Delip & Sons

2013		
Apr	1	Mr. Anil commenced business with the following Assets & Liabilities Cash Rs. 20,000/- Bank of Varanasi (Cr) Rs. 5,000/- Building Rs. 2,50,000/- Debtors Rs. 14,000/- Machinery Rs. 60,000/- and Creditors Rs. 15,000/-
Apr	3	Bought goods Rs. 15,000/- from Mr. Manohar with trade discount at 4% Mr. Manohar agreed to allow cash discount at 2% if the payment is made within 10 days.
Apr	5	Sold goods worth Rs. 12,000/- to Amar with a trade discount at 10%
Apr	6	We paid carriage Rs. 500/- on his behalf.
Apr	7	Cash sales Rs. 15,000/-
Apr	9	Deposited Rs. 10,000/- into Bank of Varanasi A/c.
Apr	14	Paid salary Rs. 500/-
Apr	17	We settled Manohar's A/c by issuing cheque.
Apr	21	Mahesh repaid Loan A/c with interest Rs 5,300/- (Including Interest Rs. 300/-)
Apr	24	Old Typewriter sold having Book value Rs. 2,000/- with Loss Rs. 300/-
Apr	27	Interest of Bank Overdraft Rs. 300/- and Bank charges Rs. 100/- charged by Bank
Apr	28	Paid Audit fee to Chartered Accountant Rs. 1,000/-

Question 7:- Started business AK Brothers.

2013		
Jan	1	Govindrao started business with cash Rs. 40,000/- Machinery worth Rs. 45,000/- goods worth Rs. 42,000/- Bank balance Rs. 15,000/-
Jan	3	Deposited into the bank cash Rs. 5,000/-
Jan	4	Bought goods worth Rs. 33,000/- on cash and received 5% trade discount
Jan	6	Sold goods worth Rs. 9,800/- on cash, off 5% C.D.
Jan	8	Borrowed Rs. 26,000/- from Bank and 20% of amount kept for house expenses and remaining amount invested into business.
Jan	10	Paid sundry expenses Rs. 575/- Electricity charges Rs. 200/- and house rent Rs. 250/-
Jan	12	Received Rs. 14,850/- in full settlement of Rs. 14,900/- for Gajanan on account.
Jan	14	Paid Rs. 1,150/- as insurance premium on the life of Shri Govindrao.
Jan	17	Paid Shri Ganesh the amount of Rs. 11,940/- in full settlement of Rs. 11,980/-
Jan	19	Cash sales Rs. 32,000/- of 5% T.D. and 2% C.D.
Jan	22	Placed order with M/s. Nayan Furniture works for purchase of furniture costing Rs. 51,000/- for office use and paid advance Rs. 5,000/- against order.
Jan	24	Distributed goods worth Rs. 5,000/- as free samples to public to increase sales.
Jan	25	Cash amounted to Rs. 1,650/- was misappropriated by clerk only Rs. 1,500/- recovered from his property.
Jan	28	M/s. Nayan Furniture works executed our order of furniture. Amount due to M/s. Nayan Furniture works is paid by cheque Rs. 40,000/- in full settlement.
Jan	30	Paid Rs. 600/- as interest on bank loan.

Question 8:- Started business Shamsher Brothers.

2013		
Feb	1	Started business of readymade garments by investing cash Rs. 1,50,000/- and goods of Rs. 65,000/-
Feb	2	Opened ban A/c with State Bank of India by depositing Rs. 43,000/- into the bank
Feb	4	Purchases furniture worth Rs. 12,000/- on cash from M/s Madhuri Furniture works, at 10% T.D. and 5% C.D.
Feb	7	Purchased readymade clothes worth Rs. 43,000/- from M/s. Mala private Sons on cash, at 10% T.D. and 5% C.D.
Feb	9	Purchased carpets worth Rs. 45,000/- from M/s- Medha Wholesale stores, at 10% T.D.
Feb	12	Sold Readymade garments worth Rs. 31,000/- on cash to M/s. Meenakshi Stores.
Feb	14	Paid carriage on purchase and sales Rs. 200/-
Feb	17	Paid Medha Rs. 40,000/- in fulfillment of her account.
Feb	19	Received from Minakshi Rs. 1,000/- as advance for her order or readymade garment.
Feb	22	Paid general expenses Rs. 850/- & paid Rent Rs. 500/-
Fen	24	Paid Rs. 450/- for advertisement and paid Rs. 600/- for printing and stationery expenses.
Feb	27	Executed Minakshi's order for Rs. 10,000/- and received Rs. 8,800 in full settlement.
Feb	28	Uninsured goods worth Rs. 7,500/- lost by fire

Question 9:- Started business Dinesh & Sons.

2013		
Jun	1	Mrs. Girish started business by investing Rs. 25,000/- in it, & borrowed Rs. 15,000/- from Mr. Girish for business purpose.
Jun	4	Mrs. Girish opened current a/c with Bank of Baroda and deposited Rs. 5,000/-
Jun	5	Cash purchase Rs. 15,500/- of 10% T.D.
Jun	7	Purchased goods from Bhaskar Rs. 18,000 @ 10% T.D.
Jun	9	Sold goods for Rs. 26,850/- @ 2% C.D.
Jun	12	Sold goods on credit Rs. 10,000/- to Mmr. Gangadhar, @ 5% T.D. only 50% of amount due received.
Jun	14	Paid Rent Rs. 350 to landlord.
Jun	15	Received interest Rs. 100 on our investment.
Jun	18	Paid Rs. 1,700/- to Khot on account, in full settlement of Rs. 1,750/-
Jun	21	Given loan to Joshi Rs. 12,000/- @ 15% rate of interest for one year period.
Jun	23	Introduced Rs. 25,000/- as a capital by selling old personal car and furniture.
Jun	24	Withdrew Rs. 1,250/- from business for personal use.
Jun	26	Paid insurance premium of Rs. 1,000/- on the life of Mrs. Girish and paid insurance premium of Rs. 1,750/- on fire policy of goods, from business cash.
Jun	28	Our customer Mr. Ramesh from whom Rs. 1,000/- was due became insolvent and only 40% of amount due recovered from his estate.
Jun	29	There was a fire in the godown and goods worth Rs. 8,500/- were lost by fire. Insurance company has admitted claim for Rs. 7,800/-

Question 10:- Started business Mahesh & Sons.

2013		
July	1	Miss Maya started business with cash Rs. 35,000/- goods Rs. 45,000/- and furniture Rs. 10,000/- and borrowed loan for Miss Kishori for business Rs. 40,000/-
July	4	Paid office rent Rs. 1,500/- and House rent Rs. 1,500/-
July	5	Bought goods on credit from Miss Chhaya Rs. 15,000/- less 10% T.D.
July	7	Paid carriage Rs. 1,000/- on purchases
July	8	Paid conveyance Rs. 150/- advertisement Rs. 850/- and printing charges Rs. 500/-
July	12	Cash purchases Rs. 7,000/- of 5% C.D.
July	16	Exchanged Typewriter costing RS. 1,500/- for goods of Rs. 1,000/-
July	18	Withdrawn goods from personal use Rs. 750/- and cash Rs. 500/- withdrawn from office for personal use.
July	20	Cash sales Rs. 15,000/- off 5% T.D. and 2% C.D.
July	22	Paid Rs. 13,400/- to Miss Chhaya in full settlement of her dues.
July	24	Received order to supply goods of Rs. 10,000/- from Miss Mala against 10% advance of value of order.
July	26	Cash sales Rs. 18,000/- 50% of the sale proceeds deposited into the bank.
July	27	Cash purchases Rs. 20,000/- and earned 5% cash discount on cash purchases. Paid carriage on purchase Rs. 200/-
July	28	Paid Rs. 10,100/- to Miss Kishori as $\frac{1}{4}$ of loan amount and interest due thereon.
July	29	Cash of Rs. 4,000/- was stolen by peon and goods of Rs. 2,000/- lost by theft.

Question 11:- Started business Rakesh & Sons.

2013		
Aug	1	Started business with cash Rs. 50,000/- goods worth Rs. 60,000 & Furniture & fixtures Rs. 10,000/-
Aug	3	Bought goods worth Rs. 10,000/- and introduced in the business
Aug	4	Taken loan from Verma Rs. 20,000/-
Aug	6	Cash sales Rs. 45,000/- of 3% T.D. & 2% C.D.
Aug	8	Bought stationery on credit from Naronna Rs. 1,750/- @ 10% T.D.
Aug	11	Received cash from Madhuri Rs. 45,000/- after allowing her discount of 10% on total amount due from her.
Aug	13	Paid Rs. 1,490/- to Vijay in full settlement of Rs. 1,500/-
Aug	19	Received Rent Rs. 1,650/- from tenants.
Aug	21	Paid Salary Rs. 1,575 to staff
Aug	24	Opened A/c with bank with deposit Rs. 6,000/-
Aug	27	Dividend of Rs. 1,000/- and interest of Rs. 1,350/- received on investment.
Aug	28	Purchased Machineries worth Rs. 15,000 from Godrej Company Ltd. and issued a cheque of Rs. 14,750/- in favour of Godrej Co. Ltd. in full settlement. Paid installation charges Rs. 250 in cash.
Aug	30	Received Rs. 11,500/- from Sadanand in respect of bad debts written off in earlier year.
Aug	31	Withdrawn cash Rs. 2,000/- and goods of Rs. 1,500/- from business for personal use.

Question 12:- Started business Rajnath & Sons.

2013		
Sept	1	Started business with Cash Rs. 60,000/- Furniture Rs. 10,000/- Goods Rs. 40,000/- Bank Balance Rs. 15,000/-
Sept	2	Taken loan from Vikram Rs. 30,000/- and invested it into business.
Sept	4	Received gift from father Rs. 10,000/- which is introduced in business
Sept	8	Taken loan from bank Rs. 25,000/- @ 18% interest p.a. for one year
Sept	9	Bought Machinery for Rs. 37,500/- of 10% T.D. and 5% C.D.
Sept	11	Bought Horse for Rs. 60,000/- for self entertainment from business fund.
Sept	13	Bought goods worth Rs. 40,000/- of 5% T.D. and 3% C.D.
Sept	16	Sold goods for Rs. 42,900/- and proceeds deposited into bank
Sept	18	Received commission Rs. 1,200/- and deposited into bank
Sept	20	Purchased pen, pencil, paper, files etc. for Rs. 1,400/- for office use
Sept	22	Bought goods costing Rs. 16,000/- from M/s. Kamalakar & Sons @ 5% T.D. AND 3% C.D. paid ¼ payment on receipt of goods and balance one month later.
Sept	25	Paid Rs. 1,750/- for insurance premium on the life of proprietor and paid Rs. 1,250/- as insurance premium on the property of business.
Sept	26	Withdraw Rs. 10,000/- from office and Rs. 5,000/- from bank for daughter is marriage.
Sept	27	Paid salaries Rs. 6,000/- to staff paid house rent Rs. 500 and office rent Rs. 750/- to land lord.
Sept	29	Paid Rs. 10,000/- to Vikram towards loan installment. He charged interest of Rs. 750 which is paid by issue of cheque.
Sept	30	Accidentally fire took place in the Godown and goods worth Rs. 16,000 destroyed by insurance claim was lodged with G.I.C. and G.I.C. agreed to settle claim at Rs. 14,000/-.

Question 13:- Started business Ramvilash & Sons.

2013		
Apri	1	Started business with cash Rs. 25,000/-
Apri	2	Deposited cash into Bank Rs. 2,000/-
Apri	3	Cash purchase Rs. 5,000/-
Apri	4	Purchased goods worth Rs. 6,000/-
Apri	5	Sold goods worth Rs. 9,000/- to Sunil
Apri	6	Sunil returned goods worth Rs. 500/-
Apri	7	Goods worth Rs. 250/- returned to Anil
Apri	8	Paid to Anil Rs. 5,000/-
Apri	9	Received Rs. 3,000/- from Sunil.
Apri	10	Withdrawn cash Rs. 500/- for personal use.
Apri	11	Deposited cash Rs. 2,000/- into Bank
Apri	12	Cash Sales Rs. 10,000/-

Question 14:- Started business Dinesh & Sons.

2013		
Jan	1	Started business with cash Rs. 25,000/-
Jan	5	Purchased goods from Anil Rs. 3,000/-
Jan	8	Sold goods to Sunil Rs. 5,000/-
Jan	10	Purchased goods for cash Rs. 4,000/-
Jan	12	Sold goods for Rs. 8,000/-
Jan	15	Purchased goods from Anil Rs. 5,000/-
Jan	18	Paid cash to Anil Rs. 6,000/-
Jan	22	Received cash from Sunil Rs. 5,000/-
Jan	25	Sold goods to Sunil Rs. 10,000/-
Jan	28	Received cash from Sunil Rs. 7,000/-
Jan	31	Paid salary Rs. 2,000/-

Question 15:- Started business Rahul & Sons.

2013		
Apr	1	Started Business with cash Rs. 25,000/- & Goods Rs. 15,000/-
Apr	2	Cash purchase Rs. 5,000/-
Apr	5	Cash sales Rs. 8,000/-
Apr	8	Purchased goods from Mona Rs. 4,000/-
Apr	10	Sold goods to Sona Rs. 6,000/-
Apr	12	Sona returned goods worth Rs. 200/-
Apr	14	Returned defective goods to Mona Rs. 500/-
Apr	18	Paid cash to Mona Rs. 2,000/-
Apr	20	Deposited into the bank Rs. 5,000/-
Apr	22	Received cash from Sona Rs. 4,000/-
Apr	23	Paid rent by Cheque Rs. 1,000/-
Apr	24	Issued a Cheque to Mona Rs. 500/-
Apr	25	Cash withdrawn from bank Rs. 1,000/-
Apr	27	Received cash from Sona Rs. 1,000/-
Apr	30	Paid salary Rs. 2,000/- Electricity Charges Rs. 500/- & Telephone charges Rs. 1,500/-

Question 16:- Started business Dinesh & Sons.

2013		
May	1	Started Business with cash Rs. 50,000/- Goods worth Rs. 25,000/- & Furniture Rs. 15,000/-
May	2	Deposited into bank Rs. 10,000/-
May	3	Purchased goods from Arun Rs. 12,000/-
May	5	Sold goods to Varun Rs. 15,000/-
May	8	Paid Rs. 3,000/- by cash & Rs. 5,000/- by cheque to Arun
May	10	Purchased goods from Mohan worth Rs. 10,000/- less 3% T.D.
May	12	Sold goods worth Rs. 15000/- to Sohan less 5% T.D.
May	15	Received cash Rs. 4750/- from Sohan & allowed him a discount of Rs. 250/-
May	25	Paid salary Rs. 4900/- to Mohan towards full settlement of Rs. 5,000/-
May	31	Paid salary Rs. 2,000/- Rent Rs. 1,500/- Electricity charges Rs. 500/- & Telephone charge Rs. 2,500/- by cash.

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INSTITUTE OF COMPUTER SCIENCES & MANAGEMENT CHITAIPUR VARANASI (S-158)

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EXAM - ----- -2013

PAPER - OM-5

Financial Accounting

Time:- 2 Hour

Max Mark's:-70

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Section A Multiple Choices

Question 1:- Commencement date of Financial year is-

- (a) 31st March (b) 31st April (c) 31st May (d) None

Question 2:- Trade Marks is -

- (a) Capital (b) Tangible Assets (c) Fictious assets (d) None

Question 3:- Guarantees undertaken is -

- (a) Fixed Liability (b) Current Liability (c) Contigent Liability (d) None

Question 4:- Which one of following is limitation of accounting -

- (a) Inexactness (b) Manipulation (c) Incomplete information (d) All

Question 5:- P/L a/c is.....

- (a) A statement (b) an A/c (c) Floating Capital (d) None

Question 6:- Which one of following is not Characteristics of accounting –

- (a) Economic Events (b) Organization (c) Measurement (d) None

Question 7:- Trade discount is accounts –

- (a) Real A/C (b) Personal A/C (c) Nominal A/C (d) None

Question 8:- Drawing is –

- (a) Current liabilities (b) Fixed liabilities (c) Capital (d) None

Question 9:- Furniture a/c is –

- (a) Current liabilities (b) Fixed liabilities (c) Capital (d) None

Question 10:- Leasehold Properties is –

- (a) Wasting assets (b) Capital (c) Bad debts (d) None

Section B True/ False

Question 1:- Loss by theft of goods a/c is payment posting.

Question 2:- Loss by fire of goods is journal posting.

Question 3:- Wages a/c is personal a/c.

Question 4:- BCCI A/c is personal A/c.

Question 5:- Guarantee assets undertaken is contingent liability.

Section C Long Type Question -

Question 1:- What is meant by Accounting Standards? Discuss the need and utility of Accounting Standards.

Question 2:- What is balance sheet? Explain its role for business.

Question 3:- Write short notes of any **three** of given following-

(a) Provisions

(b) Reserves

(c) Discount

(d) Opening Entry

(e) Ledger

(f) Capital

Question 4:- Started business Ravi & Sons-

Jan 1	Started business with cash Rs.40,000/-. Goods worth Rs.15,000/-, Furniture worth Rs.5,000/- & Building worth Rs.10,000/-.
Jan 3	Deposited into bank Rs.5,000/-.
Jan 5	Purchased Goods from Anita worth Rs.5,000/- less 5% TD.
Jan 7	Cash purchases Rs.8,000/-.
Jan 10	Sold goods worth Rs.8,000/- to Sunita at 3% TD.
Jan 12	Cash sales Rs.12,000/-.
Jan 15	Purchased machinery worth Rs.25,000/- from Godrej & Co. on credit.
Jan 18	Purchased goods worth Rs.7,500/- from Prasad at 5% TD.
Jan 19	Purchase furniture worth Rs.5,000/-.
Jan 25	Distributed goods worth Rs.1,000/- as free samples.
Jan 28	Paid Rs.2,000/- by cash & 2,000/- by cheque to Anita.
Jan 29	Uninsured goods worth Rs.3,000/- lost by fire.
Jan 30	Received Rs.6,750/- from Sunita & allowed a discount of Rs.250/-
Jan 31	Paid Rent Rs.1,500/- & Telephone charges Rs.2,500/- by cheque.
Jan 31	Paid Salary Rs.2,000/-, Wages Rs.1,000/- & Electricity charges Rs.500/- by cash.