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INSTITUTE OF COMPUTER SCIENCES & MANAGEMENT CHITAIPUR VARANASI

TESE MARCH-2025

PAPER - OM-5 **Financial Accounting With Tally**

Time:-2 :00 Hours **Max Mark's:-100**

Note: Attempt all questions!

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.
Jan7	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.

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