



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

UNIT - 5

5. TRIAL BALANCE

QUESTIONS & ANSWERS:

1) What is trial balance?

- ❖ Trial balance is a statement containing the debit and credit balances of all ledger accounts on a particular date.
- ❖ It is arranged in the form of debit and credit columns placed side by side and prepared with the object of checking the arithmetical accuracy of entries made in the books of accounts and to facilitate preparation of financial statements.

2) Give the format of trial balance.

Trial balance as on ...

S.No	Particulars	L.F	Debit (₹)	Credit(₹)

3) What are the methods of preparation of trial balance?

- ❖ Balance method
- ❖ Total method
- ❖ Total and Balance method

4) State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance:

- ❖ Carriage outwards - Debit
- ❖ Carriage inwards - Debit
- ❖ Sales - Credit
- ❖ Purchases - Debit
- ❖ Bad debts - Debit
- ❖ Interest paid - Debit
- ❖ Interest received - Credit
- ❖ Discount received - Credit
- ❖ Capital - Credit
- ❖ Drawings - Debit
- ❖ Sales returns - Debit
- ❖ Purchase returns - Credit

SHORT ANSWERS

5) What are the objectives of preparing trial balance?

📖 Test of arithmetical accuracy

- ❖ Trial balance is the means by which the arithmetical accuracy of the book-keeping work is checked.

📖 Basis for preparing final accounts:

- ❖ Financial statements, namely, trading and profit and loss account and balance sheet are prepared on the basis of summary of ledger balances obtained from the trial balance.

📖 Location of errors :

- ❖ When the trial balance does not tally, it is an indication that certain errors have occurred.

📖 Summarised information of ledger accounts:

- ❖ The summary of ledger accounts is shown in the trial balance.
- ❖ Ledger accounts have to be seen only when details are required in respect of an account.



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

6) What are the limitations of trial balance?

- ❖ It is possible to prepare trial balance of an organisation, only if the double entry system is followed.
- ❖ Even if some transactions are omitted, the trial balance will tally Trial balance may tally even though errors are committed in the books of account.
- ❖ If trial balance is not prepared in a systematic way, the final accounts prepared on the basis of trial balance may not depict the actual state of affairs of the concern.
- ❖ Agreement of trial balance is not a conclusive proof of arithmetical accuracy of entries made in the accounting records.
- ❖ This is because there are certain errors which are not disclosed by trial balance such as complete omission of a transaction, compensating errors and error of principle.

7) 'A trial balance is only a prima facie evidence of the arithmetical accuracy of records'. Do you agree with this statement? Give reasons.

- ❖ Yes, agree this statement.
- ❖ The fundamental principle of the double-entry system of book-keeping is that every debit has a corresponding and equal credit and vice-versa.
- ❖ Therefore, the total of the debit balances must be equal to the total of the credit balances.
- ❖ When such an agreement between the total of all debit balances and the total of all credit balances takes place, it offers an immediate and apparent proof of arithmetical accuracy of the book-keeping work on a particular day.
- ❖ At the same time, it should not be taken as the conclusive proof of arithmetical accuracy as certain errors such as error of principle, compensating errors and complete omission of a transaction are not disclosed by the trial balance

CREATIVE QUESTIONS & ANSWERS

8) Definition of trial balance.

"A trial balance is a statement, prepared with the debit and credit balances of the ledger accounts to test the arithmetical accuracy of the books".

- J.R. Batliboi.

9) What are the Features of trial balance?

Following are the features of trial balance:

- ❖ Trial balance contains the balances of all ledger accounts.
- ❖ It is prepared on a specific date. That is why, the word, "as on..." is used at the top.
- ❖ When double entry system is followed, the totals of the debit and the credit columns of the trial balance must be equal. Thus, trial balance helps to check the arithmetical accuracy of entries made in the books of accounts.
- ❖ If there is a difference between the totals of debit column and credit column of the trial balance, it is an indication of errors being committed somewhere.
- ❖ If both the debit column and the credit column of the trial balance have the same total, it does not mean that there is no mistake in accounting, since some errors are not disclosed by the trial balance.

10) What is mean by Suspense account?

- ❖ After transferring all the ledger account balances, if the trial balance does not tally, steps must be taken to locate and rectify errors.
- ❖ If the errors cannot be rectified, then trial balance is tallied by transferring the difference between the total of debit balances and the total of credit balances to a temporary account, called suspense account for timely preparation of the financial statements.

Prepared by:

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,,

P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,

K V MATRIC. HR. SEC. SCHOOL,

KURUMBAPALAYAM, COIMBATORE – 641 107, Mob. No. 93857 - 63859

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,,

ACCOUNTANCY

11-STD

Page 2

P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,

K V MATRIC. HR. SEC. SCHOOL,

COIMBATORE – 641 107

Kindly send me your questions and answerkeys to us : Padasalai.Net@gmail.com



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

UNIT - 6

6. SUBSIDIARY BOOKS - I

QUESTIONS & ANSWERS:

11) Mention four types of subsidiary books.

- ❖ Purchases book
- ❖ Purchases returns book
- ❖ Sales book
- ❖ Sales returns book
- ❖ Bills receivable book
- ❖ Bills payable book
- ❖ Journal proper

12) What is purchases book?

- ❖ Purchases book is a subsidiary book in which only credit purchases of goods are recorded.
- ❖ In other words, it is the item which is purchased for regular sales.

13) What is purchases returns book?

- ❖ Purchases returns book is a subsidiary book in which transactions relating to return of previously purchased goods to the suppliers, for which cash is not immediately received are recorded.
- ❖ Since goods are going out to the suppliers, they are also known as returns outward and the book is called as 'returns outward book or returns outward journal'.

14) What is sales book?

- ❖ Sales book is a subsidiary book maintained to record credit sale of goods. Goods mean the items in which the business is dealing.
- ❖ These are meant for regular sale.
- ❖ This book is also named as sales day book, sold day book, sales journal or sale register.

15) What is sales returns book?

- ❖ Sales returns book is a subsidiary book, in which, details of return of goods sold for which cash is not immediately paid are recorded. Just as goods may be returned to suppliers, goods may be returned by customers.

16) What is debit note?

- ❖ A 'debit note' is a document, bill or statement sent to the person to whom goods are returned.
- ❖ This statement informs that the supplier's account is debited to the extent of the value of goods returned.

17) What is credit note?

- ❖ A credit note is prepared by the seller and sent to the buyer when goods are returned indicating that the buyer's account is credited in respect of goods returned.
- ❖ Credit note is a statement prepared by a trader who receives back from his customer the goods sold.

18) What is journal proper?

- ❖ Journal proper is a residuary book which contains record of transactions, which do not find a place in the subsidiary books.
- ❖ Such as cash book, purchases book, sales book, purchases returns book, sales returns book, bills receivable book and bills payable book.

19) Define bill of exchange.

- ❖ "Bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument".

-Negotiable Instruments Act, 1881,



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

20) What is an opening entry?

- ❖ At the end of the accounting year, all nominal accounts are closed but the business has to be carried on with previous year's assets and liabilities.
- ❖ In this entry, asset accounts are debited, liabilities and capital accounts are credited

21) What is an invoice?

- ❖ Entries in the purchases day book are made from invoices which are popularly known as bills.
- ❖ Invoice is a business document or bill or statement, prepared and sent by the seller to the buyer giving the details of goods sold, such as quantity, quality, price, total value, etc.
- ❖ Thus, the invoice is a source document of prime entry both for the buyer and the seller.

SHORT ANSWER

22) Give the format of purchases book.

FORMAT OF PURCHASES BOOK / PURCHASES JOURNAL.

Date	Particulars (Name of the suppliers and details of goods purchased)	Invoice No.	LF	Amount	
				DETAILS	TOTAL
	Purchase A/c -Dr				

23) Mention the subsidiary books in which the following transactions are recorded.

- (i) Sale of goods for cash
- (ii) Sale of goods on credit
- (iii) Purchases of goods on credit
- (iv) When the proprietor takes goods for personal use
- (v) Goods returned to suppliers for which cash is not received immediately
- (vi) Asset purchased as credit.

ANSWER:

- (i) Sale of goods for cash - Cash book
- (ii) Sale of goods on credit - Sales Book
- (iii) Purchases of goods on credit - Purchase Book
- (iv) When the proprietor takes goods for personal use - Journal Proper
- (v) Goods returned to suppliers for which cash is not received immediately - Purchase Return Book
- (vi) Asset purchased as credit - Journal Proper

24) What are the advantages of subsidiary books?

- Proper and systematic record of business transactions :
 - ❖ All the business transactions are classified and grouped conveniently.
 - ❖ Transactions are properly and systematically recorded in the subsidiary books
- Convenient posting :
 - ❖ All the transactions of a particular nature are recorded at one place, i.e., in one of the subsidiary books.
- Division of work:
 - ❖ The work will be sub-divided and different persons can work on different books at the same time
 - ❖ The work can be speedily completed.



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

25) Write short notes on:

- Endorsement of a bill and
- Discounting of a bill

(a)Endorsement:

- ❖ It is signing on the back of a bill for the purpose of transferring the title of the bill to another person
- ❖ The person who endorses is called the "Endorser".
- ❖ The person to whom a bill is endorsed is called the "Endorsee".
- ❖ The endorsee is entitled to collect the money.

(b)Discounting:

- ❖ When the holder of a bill is in need of money before the due date of a bill, cash can be received by discounting the bill with the banker.
- ❖ This process is referred to as the discounting of bill.
- ❖ The banker deducts a small amount of the bill which is called discount and pays the balance in cash immediately to the holder of the bill

Prepared by:

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,,
P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,
K V MATRIC. HR. SEC. SCHOOL,
KURUMBAPALAYAM,
COIMBATORE – 641 107,
Mob. No. 93857 – 63859.



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

UNIT - 7

7. SUBSIDIARY BOOKS - II

VERY SHORT ANSWERS:

1) What is cash book?

- It is only cash transactions are recorded in the chronological order.
- The cash book is the book of original entry or prime entry.
- Cash transactions here may include bank transactions also.

2) What are the different types of cash book?

- Single Column Cash Book (Only Cash Column)
- Double Column Cash Book (Cash and Discount Columns)
- Three Column Cash Book (Cash, Discount and Bank Columns)
- Petty Cash Book

3) What is simple cash book?

- ♣ It is a ledger account has only one amount column of cash column on each side.
- ♣ Only cash transactions are recorded in this book.
- ♣ All cash receipts and payments are recorded systematically in this book.

4) Give the format of 'Single column cash book'.

Dr					Cr				
Single Column Cash Book									
Date	Receipts	R.N	L.F	Amount	Date	Payments	V.N	L.F	Amount

5) What is double column cash book?

- The double column cash book is prepared on the lines of simple cash book.
- It has only one additional column, i.e., discount column on each side.
- Discount column represents discount allowed on the debit side and discount received on the credit side.

6) Give the format of 'Double column cash book'.

Dr						Cr					
Double Column Cash Book											
				Amount						Amount	
Date	Receipts	R.N	L.F	Discount	Cash	Date	Payments	V.N	L.F	Discount	Cash

7) What is three column cash book?

- ✚ A three column cash book includes three amount columns on both sides, i.e., cash, bank and discount.
- ✚ This cash book is prepared in the same way as simple and double column cash books are prepared.
- ✚ The transactions which increase the cash and bank balance are recorded on the debit side of the cash and bank columns respectively.

8) What is cash discount?

- ➔ Cash discount is allowed to the parties making prompt payment within the stipulated period of time or early payment.
- ➔ It is discount allowed (loss) for the creditor and discount received (gain) for the debtor who makes payment.
- ➔ The earlier the payment, the more may be the discount.



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

→ Cash discount motivates the debtor to make the payment at an earlier date to avail discount facility.

9) What is trade discount?

- Trade discount is a deduction given by the supplier to the buyer on the list price or catalogue price of the goods.
- It is given as a trade practice or when goods are purchased in large quantities.
- It is shown as a deduction in the invoice.
- Trade discount is not recorded in the books of accounts

10) What is a petty cash book?

- If all these small payments are recorded in the main cash book, it will be loaded with lot of entries.
- Hence, all petty payments of the business may be recorded in a separate book, which is called as petty cash book and the person who maintains the petty cash book is called the petty cashier.

SHORT ANSWER QUESTIONS

11) Explain the meaning of Imprest system of petty cash book.

- Under this system, a fixed amount necessary or sufficient to meet petty payments determined on the basis of past experience is paid to the petty cashier on the first day of the period. (It may be a week or fortnight or month).
- The amount given to the petty cashier in advance is known as "Imprest Money". The word Imprest means payment in advance.
- The petty cashier makes payments from this amount and records them in petty cash book.
- At the end of a particular period, the petty cashier submits the petty cash book to the head cashier.

12) Bring out the differences between cash discount and trade discount.

Basis	Cash Discount	Trade Discount
Purpose	Cash discount is allowed to encourage the buyers of goods to make payment at an early date	Trade discount is allowed to encourage buyers to buy goods in large quantities
Time of allowance	Cash discount is allowed by the seller or creditor to the buyer or debtor at the time of making payment.	Cash discount is allowed by the seller or creditor to the buyer or debtor at the time of making payment.
Amount of discount	Cash discount is related to time. The earlier the payment, the more will be the cash discount	Trade discount is generally related to the quantity of purchase or sale. The more the purchases, the more will be the rate and amount of discount.
Recording in books of accounts	Cash discount is recorded in the books of account. Cash discount allowed is shown on the debit side of cash book. Cash discount received is shown on the credit side of the cash book.	Trade discount is not recorded in the books of account. No journal entry is made for the same. Details are just shown in the purchases or sales book.
Deduction from invoice value	Cash discount is not deducted from the invoice value of goods	Trade discount is deducted from the list price of the goods



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

13) Write the advantages of maintaining petty cash book.

- ❖ There can be better control over petty payments.
- ❖ There is saving of time of the main cashier.
- ❖ Cash book is not loaded with many petty payments.
- ❖ Posting of entries from main cash book and petty cash book is comparatively easy

14) Write a brief note on accounting treatment of discount in cash book.

- ❖ Debit the concerned personal account mentioned on the credit side and the credit is to Discount received A/c with the amount mentioned in the discount received column.
- ❖ Credit the concerned personal account mentioned on the debit side and the debit is for Discount allowed A/c with the amount entered in the discount allowed column.

15) Briefly explain about contra entry with examples.

- ❖ When the two accounts involved in a transaction are cash account and bank account, then both the aspects are entered in cash book itself.
- ❖ As both the debit and credit aspects of a transaction are recorded in the cash book, such entries are called contra entries.

Example

- ➔ When cash is paid into bank, it is recorded in the bank column on the debit side and in the cash column on the credit side of the cash book.
- ➔ When cash is drawn from bank for office use, it is entered in cash column on the debit side and in the bank column on the credit side of the cash book.
- ❖ To denote that there are contra entries, the alphabet 'C' is written in L.F. column on both sides.
- ❖ Contra means that particular entry is posted on the other side (contra) of the same book, because Cash account and Bank account are there in the cash book only and there are no separate ledger accounts needed for this purpose.
- ❖ The alphabet 'C' indicates that no further posting is required and the relevant account is posted on the opposite side.

Prepared by:

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,
P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,
K V MATRIC. HR. SEC. SCHOOL,
KURUMBAPALAYAM,
COIMBATORE – 641 107,
Mob. No. 93857 – 63859.

"CHARACTER IS REPEATED HABITS, AND REPEATED HABITS ALONE CAN REFORM CHARACTER"



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

UNIT - 8

8. SUBSIDIARY BOOKS - II

VERY SHORT ANSWERS:

- Q What is meant by bank overdraft?
 - ✗ It is not possible to have unfavorable cash balance in the cash book.
 - ✗ But, it is possible to have unfavorable balance in the bank account.
 - ✗ When the business is not having sufficient money in its bank account, it can borrow money from the bank.
 - ✗ As a result of this, amount is overdrawn from bank
- Q What is bank reconciliation statement?
 - ✗ If every entry in the cash book matches with the bank statement, then bank balance will be the same in both the records.
 - ✗ But, practically it may not be possible.
 - ✗ When the balances do not agree with each other, the need for preparing a statement to explain the causes arises.
 - ✗ This statement is called bank reconciliation statement (BRS)
- Q State any two causes of disagreement between the balance as per bank column of cash book and bank statement.
 - ✗ Cheques issued but not yet presented for payment
 - ✗ Cheques deposited into bank but not yet credited
- Q Give any two expenses which may be paid by the banker as per standing instruction.
 - ✗ Rent paid by bank as per standing instruction
 - ✗ Insurance premium, loan installment, etc. paid as per standing instructions.
- Q Substitute the following statements with one word/phrase
 - (a) A copy of customer's account issued by the bank
 - (b) Debit balance as per bank statement
 - (c) Statement showing the causes of disagreement between the balance as per cash book and balance as per bank statement.

ANSWERS:

- ✗ a) Bank statement
- ✗ b) Bank Overdraft
- ✗ c) Bank Reconciliation Statement.
- Q Do you agree on the following statements? Write "yes" if you agree, and write "no" if you disagree.
 - (a) Bank reconciliation statement is prepared by the banker.
 - (b) Adjusting the cash book before preparing the bank reconciliation statement is compulsory.
 - (c) Credit balance as per bank statement is an overdraft.
 - (d) Bank charges debited by the bank increases the balance as per bank statement.
 - (e) Bank reconciliation statement is prepared to identify the causes of differences between balance as per bank column of the cash book and balance as per cash column of the cash book.

ANSWERS:

- ✗ a) No
- ✗ b) No
- ✗ c) No
- ✗ d) No
- ✗ e) No



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

SHORT ANSWER QUESTIONS:

- Give any three reasons for preparing bank reconciliation statement.
- ✘ To identify the delay in the clearance of cheques
 - ✘ To ascertain the correct balance of bank column of cash book
 - ✘ To discourage the accountants of the business as well as bank from misusing funds.
- What is meant by the term "cheque not yet presented?"
- ✘ When the cheques are issued by the business, it is immediately entered on the credit side of the cash book by the business.
 - ✘ But, this may not be entered in the bank statement on the same day.
 - ✘ It will be entered in the bank statement only after it is presented with the bank.
- Explain why does money deposited into bank appear on the debit side of the cash book, but on the credit side of the bank statement?
- ✘ Cash book maintained by trader cash will go out from the trader point of view so money deposited into the bank appear on the debit side of the cash book.
 - ✘ Bank statement prepared by bank deposited money by trader it is liability from banker's view, so money deposited into the bank it will appear in the credit side of the bank statement.
- What will be the effect of interest charged by the bank, if the balance is an overdraft?
- ✘ Overdraft balance will be increased if the internet is charged by the bank.
- State the timing differences in BRS with examples.
- ✘ Cheques issued but not yet presented for payment
 - ✘ Cheques deposited into bank but not yet credited
 - ✘ Bank charges and interest on loan and overdraft
 - ✘ Interest and dividends collected by the bank
 - ✘ Dishonor of cheques and bills
 - ✘ Amount paid by parties directly into the bank.

Prepared by:

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,
P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,
K V MATRIC. HR. SEC. SCHOOL,
KURUMBAPALAYAM,
COIMBATORE – 641 107,
Mob. No. 93857 – 63859.

"CHARACTER IS REPEATED HABITS, AND REPEATED HABITS ALONE CAN REFORM CHARACTER"



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

UNIT - 9

9 - RECTIFICATION OF ERRORS

VERY SHORT ANSWERS:

- 1) **What is meant by rectification of errors?**
 - ✎ The correction of accounting errors in a systematic manner is called the rectification of errors.
- 2) **What is meant by error of principle?**
 - ✎ It means the mistake committed in the application of fundamental accounting principles in recording a transaction in the books of accounts.
- 3) **What is meant by error of partial omission?**
 - ✎ Error of partial omission When the accountant has failed to record a part of the transaction,
 - ✎ It is known as error of partial omission.
 - ✎ This error usually occurs in posting.
 - ✎ This error affects only one account.
- 4) **What is meant by error of complete omission?**
 - ✎ It means the failure to record a transaction in the journal or subsidiary book or failure to post both the aspects in ledger.
 - ✎ This error affects two or more accounts.
- 5) **What are compensating errors?**
 - ✎ The errors that make up for each other or neutralize each other are known as compensating errors.
 - ✎ These errors may occur in related or unrelated accounts.
 - ✎ Thus, excess debit or credit in one account may be compensated by excess credit or debit in some other account.
 - ✎ These are also known as offsetting errors.

SHORT ANSWER QUESTIONS:

- 6) **Write a note on error of principle by giving an example.**
 - ✎ It means the mistake committed in the application of fundamental accounting principles in recording a transaction in the books of accounts.

The following are the possibilities of error of principle:

- ✎ (i) **Entering the purchase of an asset in the purchases book**
Example Machinery purchased on credit for ` 10,000 by M/s. Anbarasi garments manufacturing company entered in the purchases book.
- ✎ (ii) **Entering the sale of an asset in the sales book**
Example Sale of old furniture on credit for ` 500 was entered in the sales book.
- ✎ (iii) **Treating a capital expenditure as a revenue expenditure**
Example An amount of ` 3,000 spent on the construction of an additional room is debited to repairs account.

- 7) **Write a note on suspense account.**
 - ✎ When the trial balance does not tally, the amount of difference is placed to the debit (when the total of the credit column is higher than the debit column) or credit (when the total of the debit column is higher than the credit column) to a temporary account known as 'suspense account'.



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 107.

8) What are the errors not disclosed by a trial balance?

- ✍ Certain errors will not affect the agreement of trial balance.
- ✍ Though such errors occur in the books of accounts, the total of debit and credit balance will be the same.
- ✍ The trial balance will tally.
- ✍ Errors of complete omission, error of principle, compensating error, wrong entry in the subsidiary books are not disclosed by the trial balance.

Examples of such errors are as follows: (any 5)

- ✍ Treating revenue expenditure as capital expenditure
- ✍ Omitting a transaction completely
- ✍ Entering a transaction in a wrong subsidiary book
- ✍ Entering a transaction twice in a subsidiary book or journal
- ✍ Entering the amount of a transaction wrongly in the journal
- ✍ Entering the amount of a transaction wrongly in a subsidiary book
- ✍ Compensating error

9) What are the errors disclosed by a trial balance?

- ✍ Errors disclosed by the trial balance
- ✍ Certain errors affect the agreement of trial balance.
- ✍ If such errors have occurred in the books of accounts, the total of debit and credit balances will not be the same.
- ✍ The trial balance will not tally.
- ✍ Error of partial omission and error of commission affect the agreement of trial balance.

Examples of such errors are follows: (any 5)

- ✍ Entered in the journal but posted to one account and omitted to be posted to the other.
- ✍ Posting an amount to the wrong side of a ledger account.
- ✍ Posting twice in a ledger account
- ✍ Over-casting or Under-casting in a subsidiary book
- ✍ Posting a wrong amount to the correct side of an account
- ✍ Posting a wrong amount to the wrong side of an account
- ✍ Errors arising in carrying forward the page total from one page to the next page of an account or subsidiary book.
- ✍ Errors arising in the balancing of an account.
- ✍ Omission to post an entry from a subsidiary book

10) Write a note on one-sided errors and two sided errors.

I) ONE- SIDE ERROR:

- ✍ One side errors are those errors which affect the agreement of the trial balance.
- ✍ These errors affect only one account and only one side of the account.

Examples:

- ✍ Errors of partial omission.

II). ONE- SIDE ERROR:

- ✍ When an error affects both the debit and credit by an equal amount is called two sided of errors.
 - ♣ Wrong posting of both debit and credit
 - ♣ Errors of which omission.

Prepared by:

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,
 P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,
 K V MATRIC. HR. SEC. SCHOOL,
 KURUMBAPALAYAM COIMBATORE – 641 107,
 Mob. No. 93857 – 63859.
