

**I Choose the correct answer****(10x1=10)**

- 1) Which one of the following is not a main objective of accounting?  
 (a) Systematic recording of transactions (b) Ascertainment of the profitability of the business  
 (c) Ascertainment of the financial position of the business (d) Solving tax disputes with tax authorities
- 2) Who is developed double entry book keeping system  
 a) Adam Smith. b) J.R Batliboi C) R.N Carter d) Luca Pacioli
- 3) GAAPs are:  
 (a) Generally Accepted Accounting Policies (b) Generally Accepted Accounting Principles  
 (c) Generally Accepted Accounting Provisions (d) None of these
- 4) Which one of the following statement incorrect?  
 a) Only monetary transactions are recorded in the books of accounts.  
 b) Effects of price level changes are not considered.  
 c) Financial data recorded are historical in nature, i.e., only past data are recorded.  
 d) It is analytical in nature.
- 5) 'Cash withdrawn by the proprietor from the business for his personal use' causes  
 (a) Decrease in assets and decrease in owner's capital (b) Increase in one asset and decrease in another asset  
 (c) Increase in one asset and increase in liabilities (d) Increase in asset and decrease in capital
- 6) Odd one out. A) Goodwill. B) Patents C) Copy Rights d) Cash
- 7) The process of finding the net amount from the totals of debit and credit columns in a ledger is known as  
 (a) Casting (b) Posting (c) Journalising (d) Balancing
- 8) The ledger account is prepared in \_\_\_\_\_ format.  
 a) T b) F. C) H. d) R
- 9) Which of the following is/are the objective(s) of preparing trial balance?  
 (a) Serving as the summary of all the ledger accounts (b) Helping in the preparation of final accounts  
 (c) Examining arithmetical accuracy of accounts (d) All the above
- 10) \_\_\_\_\_ concept is applied in trial balance.  
 a) Cost concept. B) Going concern concept c) Duality concept. D) Matching Concept

**II Answer the following any 4 question, Q.No 16 is compulsory****(4x2=8)**

- 11) Define accounting.
- 12) What is full Disclosure Principle of Accounting?
- 13) Journalise the following transaction  
 a) Borrowed loan from Bank ` 10,000  
 b) Paid ` 4,800 in full settlement of ` 5,000 due to the creditor, Keerthana.
- 14) Prepare cash account from the following transactions for the month of January 2018.

Jan 1 Commenced business with cash ` 62,000

3 Goods purchased for cash ` 12,000

10 Goods sold for cash ` 10,000

12 Wages paid ` 4,000

25 Furniture purchased for cash ` 6,000

15) Prepare Furniture A/c from the following transactions

2016 `

Jan 1 Furniture in hand 2,000

1 Purchased furniture for cash 4,000

30 Sold furniture 400

16) Journalise the following transaction

a) Dinesh, a customer is declared insolvent and 40 paise in a rupee is received from the estate for his due ` 10,000.

B) Goods (table clothes) used for office use 2000

**III Answer the following any 4 question, Q.No:22 is compulsory**

**(4x3=12)**

17) Discuss briefly the branches of Accounting ( any 3)

18) Only monetary transaction are recorded in accounting “ Explain the statement?

19) Show the effect of following business transactions on the accounting equation.

(i) Anbu started business with cash ` 20,000; goods ` 12,000 and machine ` 8,000

(ii) Purchased goods from Ramani on credit ` 7,000 (iii) Payment made to Ramani in full settlement ` 6,900

(iv) Sold goods to Rajan on credit costing ` 5,400 for ` 6,000

(v) Received from Rajan ` 5,800 in full settlement of his account (vi) Wages outstanding

20) Journalise the following transactions and post them to ledger. On May 20, 2018, Ram paid salaries ` 15,000; Electricity charges ` 8,000 and wages ` 2,000.

21) Prepare Anand’s account from the following details.

2017 `

July 1 Credit balance of Anand’s A/c 4,000

15 Amount paid to Anand 2,000

18 Goods purchased from Anand on credit 8,000

20 Paid to Anand 3,960

Discount allowed by him 40

25 Goods purchased from Anand 5,000

22) From the following balances extracted from the books of Raju a trader on automobiles, prepare trial balance as on 31st March, 2017:

a) Premises. B) vehicles. C) Goodwill. D) Drawings. E) Return Inwards. F) Return Outwards.

G) Bad debts. H) Bank loan. I) Bank overdraft j) Bank balance K) Purchase

**IV Answer the following questions**

**( 4x5=20)**

23) a) Distinguish between journal and ledger ( any 5) ( OR)

B) What is double entry system? State its advantages.

24) A) Deepak is a dealer in stationery items. From the following transactions, pass journal entries for the month of January and February, 2018.

Jan. `

- 1 Commenced business with cash 2,00,000
- 2 Opened a bank account by depositing cash 1,00,000
- 3 'A 4 papers' sold on credit to Padmini and Co. 60,000
- 4 Bills received from Padmini and Co. for the amount due
- 5 Bills received from Padmini and Co. discounted with the bank 58,000

Feb.

- 15 Bills of Padmini and Co. Dishonour ( OR)

B) Create an accounting equation on the basis of the following transactions:

- (i) Rakesh started business with a capital of ` 1,50,000
- (ii) Deposited money with the bank ` 80,000
- (iii) Purchased goods from Mahesh and paid through debit card ` 25,000
- (iv) Sold goods (costing ` 10,000) to Mohan for ` 14,000 who pays through debit card
- (v) Commission received by cheque and deposited the same in the bank ` 2,000
- (vi) Paid office rent through ECS ` 6,000
- (vii) Sold goods to Raman for ` 15,000 of which ` 5,000 was received at once

25) a) The following are the transactions of Kumaran, dealing in stationery items. Prepare ledger accounts.

2017

- June 5 Started business with cash ` 2,00,000
- 8 Opened bank account by depositing ` 80,000
- 12 Bought goods on credit from Sri Ram for ` 30,000
- 15 Sold goods on credit to Selva for ` 10,000
- 22 Goods sold for cash ` 15,000
- 25 Paid Sri Ram ` 30,000 through NEFT
- 28 Received a cheque from Selva and deposited the same in bank ` 10,000. ( OR)

B) The following balances appeared in the books of Kumaran on April 1, 2017.

Assets: Cash ` 1,00,000; Stock ` 40,000; Amount due from Rohit ` 10,000;  
Furniture ` 10,000; Liabilities: Amount due to Anush ` 40,000;  
Kumaran's capital ` 1,20,000

Find the capital and show the ledger posting for the above opening balances.

26). A) The following balances are extracted from the books of Ravichandran on 31st December, 2016. Prepare the trial balance.

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Capital 1,50,000 Sales 75,000

Debtors 22,800 Return inwards 1,000

Rent received 500 Discount allowed 800

Bank overdraft 3,100 Discount received 1,000

Creditors 5,500 Wages 2,900

Premises 1,46,000 Salaries 3,500

Opening stock 10,000 Commission paid 1,100

Purchases 45,000 General expenses 2,000

( OR)

B) From the following balances, prepare trial balance of Baskar as on 31st March, 2017. Transfer the difference, if any, to suspense account..`

Opening stock 40,000 Debtors 25,000

Capital 90,000 Carriage inwards 16,500

Sales 1,77,200 Bills receivable 20,000

Salaries 12,000 Commission received 5,550

Bills payable 9,450 Cash at bank 17,000

Telephone charges 2,350 Furniture 19,000

Creditors 16,000 Plant & Machinery 55,800

Purchases 85,000 Repairs 550