

- +1 ACC I MID TERM-July -24 Madurai (Dt)  
**1) CHOOSE THE CORRECT ANSWER 10X1=10**  
 1.b) Stewardship accounting  
 2.b) Employee  
 3.b) going concern  
 4.d) The Institute of Chartered Accountants of India  
 5.d) RS 40000  
 6.c) Assets  
 7.d) Know the balance of each ledger account  
 8.d) Balancing  
 9.d) All accounts  
 10. b) iv iii ii i

**PART-B****5X2=10****11. What are the steps involved in the process of accounting?**

1. Identifying the transactions and journalising
2. Posting and balancing
3. Preparation of trial balance
4. Preparation of profit and loss account
5. Preparation of balance sheet

**12. Define book-keeping.**

“Book-keeping is an art of recording business dealings in a set of books”. - J.R.Batliboi.

13.Assets =	Liabilities +	Capital
a) 5,00000 =	90000 +	<b>4,10,000</b>
b) 6,00,000 =	<b>5,60,000</b> +	40,000
c) <b>5,40,000</b> =	4,60,000 +	80,000
d) 8,00,000 =	<b>7,50,000</b> +	50,000

**14. Increase in capital and increase in asset**

- a. Commenced business with cash ` 1,00,000
- b. Decrease in liability and decrease in asset Paid creditors ` 10,000

**15. Methods of preparation of trial balance?**

- i) Balance method
- ii) Total method
- iii) Total and Balance method

**16. What is meant by posting?**

The process of recording in the ledger is called posting

17. Drawing A/C	Dr	8000	
To Cash A/C			8000
Drawing A/C	Dr	10000	
To purchases A/C			10000

**PART-C Answer any Five : 5X3=15****18. Discuss briefly the branches of accounting.****1. Financial Accounting**

It provides financial information to the users for taking decisions. It is concerned with identification, recording, classifying and summarising of financial transactions and events

**2. Cost Accounting:-** It involves the collection, recording, classification and appropriate allocation of expenditure for the determination of the costs of products or services and for the presentation of data for the purposes of cost control and managerial decision making.

**3. Management Accounting:-** It is concerned with the presentation of accounting information in such a way as to assist management in decision making and in the day-to-day operations of an enterprise.

**4. Social Responsibility Accounting:-** It is concerned with presentation of accounting information by business entities and other organisations from the view point of the society by showing the social costs incurred such as environmental pollution by the enterprise and social benefits such as infrastructure development and employment opportunities created by them.

19. Items	Classification
Capital	Personal account
Building	Real account
Carriage inwards	Nominal account
Cash	Real account
Commission received	Nominal account
Bank	Personal account
Purchases	Nominal account
Outstanding wages	Personal account

**20. In the books of Jeyaseeli Journal entries;**

Date	Particulars	Debit	Credit
2018 Jan. 1	Cash A/c Dr. To Jeyaseeli's Capital A/c (Jeyaseeli commenced business)	80000	80000
2	Bank A/c Dr. To Cash A/c (Deposited cash into bank)	40000	40000
3	Purchases A/c Dr. To Cash A/c (Goods purchased by cash)	5000	5000
4	Purchases A/c Dr. To Lipton & Co. A/c (Goods purchased on credit)	10000	10000
5	Cash A/c Dr. To Sales A/c (Cash sales made)	11000	11000
6	Salaries A/c Dr. To Cash A/c (Salaries paid)	5000	5000

**21. opening Entry**

Date	Particulars	Debit	Credit
2018 jan 1	Cash A/C Stock A/C Ram A/C. Machinery A/C. To Vijay A/C To Capital A/C(B/F)	40000 50000 20000 40000	10000 <b>140000</b>

## Vinoth capital

Date	Particulars	₹	Date	Particulars	₹
			Jan 1 2018	By balance b/d	140000

## 22. Cash Accounting

Date	Particulars	₹	Date	Particulars	₹
18Jan.1 10	To capital A/C To Sales A/C	62000 10000	18Jan.3 12	By Purchase By Wages By Furniture By Balance c/d	12000 4000 6000 50000
Feb	Balance b/d	72000 50000			72000

23. Debit Balances	Credit Balances
Carriage outwards	Sales
Carriage inwards	Interest Received
Purchases	Discount Received
Bad Debts	Capital
Drawings	Purchase Returns
Interest paid	
Sales Returns	

## 24. Golden Rules of double entry system .

<b>Personal Accounting</b>	Debit the receiver	Credit the giver
<b>Real Accounting</b>	Debit what come in	Credit what goes out
<b>Nominal Accounting</b>	Debit all expenses and losses	Credit all incomes and gains

## PART-D Answer all the questions

2X5=10

## 25. Journal of Mr. Manohar

Date	Particulars	Debit
Cash A/C To Manohar A/C	60000	60000
Furniture A/C To cash A/C	10000	10000
Purchases A/C. To Cash A/C	25000	25000
Purchases A/C To Kamallesh A/C	15000	15000
Cash A/C To Sales A/C	28000	28000
Hari A/C To Sales	10000	10000
Kamallesh A/C To Cash A/C	12000	12000
Rent A/C To Cash A/C	500	500
Cash A/C To Hari A/C	8000	8000
Drawing A/C To Cash A/CS	4000	4000

## 25. In the Books Of Rani Accounting Equation

Transaction	Assets			Capital	Creditors
	Cash ₹	Stock ₹	Furniture ₹		
Started Business with cash	+80000			+80000	
Equation	+80000			= +80000	
Credit Purchases		+1000 0			+1000 0
Equation	+80000	+1000 0	60000	= +80000	+1000 0
Cash Purchases of furniture	-6000		+6000		
Equation	+74000		+66000	= +80000	+1000 0
Paid creditors by cash	-8000				-8000
Equation	+66000	+1000 0	+6000	= +80000	+2000
purchased goods for cash	-2000	+2000			
Equation	+64000	+1200 0	+6000	= +80000	+2000
Paid Rent by cash	-500			-500	
Equation	+63500	+1200 0	+6000	= +79500	+2000

## 26.a. Cash Account

Dharma Capital	70000	By Rent	3000
Ganesh A/C	10000		
Commission A/C	5000		
		<b>By Balance c/d</b>	<b>82000</b>
	85000		85000

## Dharma Capital Account

<b>To Balance c/d</b>	70000		70000
			70000

## Ganesh Account

<b>To Balance c/d</b>	10000	Cash A/C	10000
	10000		10000

## Rent Account

Cash A/c	3000	<b>By Balance c/d</b>	<b>3000</b>
	3000		3000

## Commission received Account

<b>To Balance c/d</b>	5000	By Cash	5000
	5000		5000

## 26.B. Raju Trial Balance

Sl.No	Name Of Account	Debit	Credit
1	Cash in hand	5500	
2	Discount received		300
3	Creditors		15000
4	Buildings	50000	
5	Opening stock	6000	
6	Direct expenses	5000	
7	Carriage outwards	3500	
8	Capital		45000
9	Purchases	49700	
10	Sales		59400
	<b>Total</b>	<b>119700</b>	<b>119700</b>