

- +1 ACC I MID TERM-July -24 Madurai (Dt)  
**1) CHOOSE THE CORRECT ANSWER 10X1=10**  
 1.b) Stewardship accounting  
 2.b) Employee  
 3.c) Conservatism  
 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.<br>To Jeyaseeli's Capital A/c<br>(Jeyaseeli commenced business) | 80000 | 80000  |
| 2           | Bank A/c Dr.<br>To Cash A/c<br>(Deposited cash into bank)                    | 40000 | 40000  |
| 3           | Purchases A/c Dr.<br>To Cash A/c<br>(Goods purchased by cash)                | 5000  | 5000   |
| 4           | Purchases A/c Dr.<br>To Lipton & Co. A/c<br>(Goods purchased on credit)      | 10000 | 10000  |
| 5           | Cash A/c Dr.<br>To Sales A/c<br>(Cash sales made)                            | 11000 | 11000  |
| 6           | Salaries A/c Dr.<br>To Cash A/c<br>(Salaries paid)                           | 5000  | 5000   |

**21. opening Entry**

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

## Vinoth capital

| Date | Particulars | ₹ | Date          | Particulars       | ₹      |
|------|-------------|---|---------------|-------------------|--------|
|      |             |   | Jan 1<br>2018 | By balance<br>b/d | 140000 |

## 22. Cash Accounting

| Date          | Particulars                    | ₹              | Date          | Particulars   | ₹                              |
|---------------|--------------------------------|----------------|---------------|---|--------------------------------|
| 18Jan.1<br>10 | To capital A/C<br>To Sales A/C | 62000<br>10000 | 18Jan.3<br>12 | By Purchase<br>By Wages<br>By Furniture<br>By Balance c/d | 12000<br>4000<br>6000<br>50000 |
| Feb           | Balance b/d                    | 72000<br>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<br>To Manohar A/C        | 60000       | 60000 |
| Furniture A/C<br>To cash A/C      | 10000       | 10000 |
| Purchases A/C.<br>To Cash A/C     | 25000       | 25000 |
| Purchases A/C<br>To Kamallesh A/C | 15000       | 15000 |
| Cash A/C<br>To Sales A/C          | 28000       | 28000 |
| Hari A/C<br>To Sales              | 10000       | 10000 |
| Kamallesh A/C<br>To Cash A/C      | 12000       | 12000 |
| Rent A/C<br>To Cash A/C           | 500         | 500   |
| Cash A/C<br>To Hari A/C           | 8000        | 8000  |
| Drawing A/C<br>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            |        | +10000  |             |          | +10000    |
| Equation                    | +80000 | +10000  | 60000       | = +80000 | +10000    |
| Cash Purchases of furniture | -6000  |         | +6000       |          |           |
| Equation                    | +74000 |         | +66000      | = +80000 | +10000    |
| Paid creditors by cash      | -8000  |         |             |          | -8000     |
| Equation                    | +66000 | +10000  | +6000       | = +80000 | +2000     |
| purchased goods for cash    | -2000  | +2000   |             |          |           |
| Equation                    | +64000 | +12000  | +6000       | = +80000 | +2000     |
| Paid Rent by cash           | -500   |         |             | -500     |           |
| Equation                    | +63500 | +12000  | +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> |