

## PART - A

## I. Choose the correct answer with option.

(10 X 1 = 10)

- Who is considered to be the internal user of the financial information?  
a) Government      b) Employees      c) Creditors      d) Customers
- Accounting is termed as the \_\_\_\_\_ of the business.  
a) Cash      b) Assets      c) Language      d) None of these
- In India, Accounting Standards are issued by  
a) Reserve Bank of India      b) The Cost and Management Accountants of India  
c) Supreme Court of India      d) The Institute of Chartered Accountants of India
- The business is liable to the proprietor of the business in respect of capital introduced by the person according to  
a) Money measurement concept      b) Cost concept  
c) Business entity concept      d) Dual aspect concept
- A firm has assets of Rs. 1,00,000 and the external liabilities of Rs. 60,000. Its capital is  
a) Rs. 1,60,000      b) Rs. 60,000      c) Rs. 1,00,000      d) Rs. 40,000
- Accounting equation is formed based on the accounting principle of  
a) Dual aspect      b) Consistency      c) Going concern      d) Accrual
- The process of transferring the debit and credit items from journal to ledger accounts is called  
a) Casting      b) Posting      c) Journalising      d) Balancing
- The amount brought into the business by the proprietor should be credited to  
a) Cash a/c      b) Drawings a/c      c) Capital a/c      d) Suspense a/c
- Which of the following method(s) can be used for preparing trial balance?  
a) Balance method      b) Total method      c) Total and Balance method      d) a, b and c
- Trial balance is a  
a) Statement      b) Account      c) Ledger      d) Journal

## PART - B

## II. Answer any 5 Questions: Q.No. 17 is Compulsory

(5 X 2 = 10)

- Who are the parties interested in accounting information? (any 4)
- Write a brief note on 'Consistency' assumption.
- What is real account?
- Complete the accounting equation

Assets = Rs.	Capital + Rs.	Liabilities Rs.
a) 3,00,000	?	1,20,000
b) ?	60,000	20,000
c) 2,00,000	90,000	?

- Fill in the missing information in the following journal entries:

Date	Particulars	L.F	Debit	Credit
	.....A/c		.....	
	To .....A/c (Goods purchased for cash)			.....

- What is meant by posting?
- What are the methods of preparation of trial balance?

## PART - C

## III. Answer any 5 Questions: Q.No. 24 is Compulsory

(5 X 3 = 15)

18. Discuss briefly the branches of accounting.
19. Write a brief note on Accounting Standards.
20. Classify the following into personal, real and nominal accounts. (a) Capital (b) Building (c) Cash (d) Commission received (e) Carriage inwards (f) Chandru
21. The following balances appeared in the books of Vinoth on Jan 1, 2018  
Assets: Cash Rs. 40,000; Stock Rs. 50,000; Debtors Rs. 20,000; Machinery Rs. 40,000  
Liabilities: Creditors Rs. 10,000 Pass the opening journal entry.
22. State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance:  
(i) Carriage outwards (ii) Sales (iii) Purchases  
(iv) Carriage inwards (v) Bad debts (vi) Capital
23. Prepare a trial balance with the following information:

Purchases	1,00,000	Sales	1,50,000
Bank Loan	75,000	Creditors	50,000
Debtors	1,50,000	Cash	90,000
Stock	35,000	Capital	1,00,000

24. Give the golden rules of double entry accounting system.

## PART - D

## IV. Answer all the Questions:

(3 X 5 = 15)

25. (a) Show the accounting equation on the basis of the following transactions.  
(i) Started business with cash Rs. 80,000  
(ii) Goods bought on credit from Ramesh Rs. 10,000  
(iii) Purchased furniture for cash Rs. 6,000  
(iv) Paid creditors by cash Rs. 8,000  
(v) Purchased goods for cash Rs. 2,000 [OR]  
(b) Give journal entries and post them to cash account.  
2016 June 1 Commenced business with cash Rs. 1,10,000  
10 Introduced additional capital Rs. 5,000  
28 Withdrawn for personal use Rs. 20,000
26. (a) Prepare Furniture A/c from the following transactions.  
2016 Jan 1 Furniture in hand Rs. 2,000  
1 Purchased furniture for cash Rs. 4,000  
30 Sold furniture Rs. 400 [OR]  
(b) Distinguish between journal and ledger.
27. (a) Prepare the trial balance from the following balances of Babu as on 31.03.2016.

Cash in hand	7,000	Bills Receivable	7,000
Debtors	5,400	Creditors	1,18,000
Salaries	6,800	Capital	25,000
Bad Debts	200	Purchases	45,000
Opening Stock	15,400	Sales	50,000

[OR] (b) Prepare Anand's account from the following details.

- 2017 July 1 Credit balance of Anand's A/c Rs. 4,000  
15 Amount paid to Anand Rs. 2,000  
18 Goods purchased from Anand on credit Rs. 8,000  
20 Paid to Anand Rs. 3,960 Discount allowed by him Rs.40  
25 Goods purchased from Anand Rs. 5,000

