

1. Accounting provides information about the profitability and financial soundness of a concern. In addition, it provides various other valuable information also. However, accounting has certain Limitations? Explain the limitation which is concerned with the manipulation of accounts.
2. When a person wants to deposit checks or cash in his bank account he customarily fills out a slip to show the number of his account, the date, and the details of the deposit. What is this slip called?
3. Vinod & Sons received an order form Karbon Textile Co. for Rs.35,00,00. Will it be recorded in the books of account of the firm? Give Reason.
4. Some small traders follow a system of accounting under which only Personal Accounts and Cash Book are maintained. Name this system of accounting.
5. Accounting provides qualitative information about the financial transactions which are useful in making economic decisions. Accounting collects, records, classifies and summarises the financial information which is communicated to its users. In the same context explain any three external users of accounting.
6. Which of the following items will take place in the debit side & credit side of Trial Balance?

Loan given to Mohan Rs.1,00,000; Trade Receivables Rs.50,000; Livestock Rs.30,000; Drawings Rs.10,000. Preliminary Expenses Rs.20,000; Investment Rs.50,000; Interest on investment Rs.5,000. Capital Rs.1,85,000; Advance from

Sohan Rs.35,000; Bank overdraft Rs.15,000; Provision for doubtful debts Rs. 8,000; General Reserve Rs.12,000.

7. International Financial Reporting Standards (IFRS) are designed as a common global language for business affairs so that company accounts are understandable and comparable across international boundaries. Give any three objective of International Financial Reporting Standards (IFRS).

8. Explain the following Assumptions/Principles of Accounting:

- (i) Going Concern Assumption
- (ii) Consistency Assumption
- (iii) Matching Principle

9. Give any four examples of Provisions and four examples of Reserves.

10. Fill in the blanks and complete the Journal Entries.

----- A/c Dr. ?

To ----- ?

To ----- ?

(Being cash paid to Vinod in full settlement after deducting 5% discount i.e. Rs.500)

----- A/c Dr. ?

To ----- ?

(Being 40% cash received on account of recovery of a bad debt of Rs.20,000 which was previously written off)

----- A/c Dr. ?

----- A/c Dr. ?

To ----- ?

(Being 60% amount received from official receiver of Mukesh on his account of Rs.1,000)

----- A/c Dr. ?

To ----- ?

(Being additional capital introduced in the business Rs.20,000)

11. On 1st January, 2014, A drew a bill on B for Rs.10,000 payable after 3 months. B accepted the bill and returned it to A. After 10 days, A endorsed the bill to his creditor, C. On the due date, the bill was dishonoured and C paid Rs.200 as noting charges. Record the transactions in the books of A, B and C.

12. Prepare Cash Book with Bank Column of Vinod & Sons from the following:

transactions:

Jan. 1	Cash in hand Rs.100 and Bank Balance.....	Rs.2,000
Jan. 5	Purchased goods by Cheque.....	Rs.1,200
Jan. 6	Drew Cheque for office use	Rs.50.
Jan. 7	Purchased Stationery for Cash.....	Rs.10
Jan. 8	Received cheque from Mr.X and sent to bank.....	Rs.125.
Jan. 10	Carriage paid in cash.....	Rs.33.
Jan. 12	Z paid us cheque.....	Rs.175
Jan. 12	Paid Mr. A by cheque.....	Rs.195
Jan. 27	Received cheque for sales.....	Rs.200.

13. M/s Vinod & Sons showing following transactions. Prepare accounting equation for the same:

- (i) Commenced business with cash..... Rs.3,00,000.
- (ii) Purchased goods for cash..... Rs.80,000.
- (iii) Purchased machinery on credit..... Rs.1,25,000.
- (iv) Purchased old car for personal use for Rs.1,00,000.

14. Prepare a Bank Reconciliation Statement on 31 December 2009 for the following when overdraft as per pass book is Rs.20,000:

- (1) Cheques issued, but not presented for payment Rs.25,000.
- (2) Interest on bank overdraft charged by the bank, but not entered in cash book Rs.1,000.
- (3) Cheque deposited but not collected Rs.22,000.
- (4) Insurance premium Rs.500 paid by bank under standing order but not recorded in cash book.

15. On January 01 2011, Vinod Transport Co. purchased five trucks for Rs. 20,000 each. Dep

recession has been provided at the rate of 10% p.a. using straight line method and accumulated in provision for depreciation account. On January 01, 2012, one truck was sold for Rs. 15,000. On July 01, 2013, another truck (purchased for Rs. 20,000 on Jan 01, 2011) was sold for Rs. 18,000. A new truck costing Rs. 30,000 was purchased on October 01, 2013. You are required to prepare trucks account, Provision for depreciation account and Truck disposal account for the years ended on December 2011, 2012 and 2013 assuming that the firm closes its accounts in December every year.

16. What is meant by Provision?

17. Give one advantage of Single Entry System.

18. Record the following items of a Non-profit organization:

Tournament Fund..... Rs.2,00,000

Tournament Expenses..... Rs.60,000

Receipts from Tournament..... Rs.80,000.

19. From the following find out the additional capital introduced during the year:

Opening capital..... Rs.2,60,000

Closing capital..... Rs.4,00,000

Drawings made during the period..... Rs.1,00,000

Profit made during the year..... Rs.2,00,000

20. Vinod Traders maintain his books of Accounts on Single entry system. His books provide the following information.

Particulars	April 1, 2015	March 31, 2016
Furniture	200	200
Stock	2,800	3,800
Debtors	2,100	3,400
Cash	150	200
Creditors	1,750	1,900
Bill Receivables	--	300
Loan given	--	500
Investments	--	1,000

His drawings were Rs.500. Prepare the Statement showing profit for the year.

21. Calculate value of Opening Stock from the following information:

Cash sales Rs.80,000; credit sales Rs.3,30,000; sales return Rs.10,000; Purchases Rs.2,48,000 ; Purchase return Rs.8,000; carriage inwards Rs.16,000; closing stock Rs.72,000; Rate of gross profit is 40% on sales.

22. Explain the Tailor-made software.

23. From the following prepare Income and Expenditure Account on 31-12-2006:

Receipts	Amount	Payments	Amount
To Balance b/d	1,90,000	By Salaries	3,30,000
To Subscription	6,60,000	By Sports Equipment	4,00,000
To Interest on investments @8% p.a. for full year	40,000	By Balance c/d	1,60,000
	8,90,000		8,90,000

Additional Information:

- (i) The club had received Rs.20,000 for subscriptions in 2005 for 2006.
- (ii) Salaries had been paid only for 11 months.
- (iii) Stock of sport equipment on 31st December, 2005 was Rs.3,00,000 and on 31st December 2006 Rs.6,50,000.

24. From the following Trial Balance of M/s. Vinod and Sons as on 31st December, 2009, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Opening Stock	11,300	Capital	20,000
Purchases	40,000	Loan	5,000
Sales Return	300	Creditors	8,000
Gas and Water	480	Sales	55,000
Cash in hand	1,000	Purchase return	580
Cash at bank	5,700	Commission	500
Salaries and wages	800	Bill Payable	1,500
Rent, Rate & Taxes	700		
Wages	1,250		
Insurance	1,000		
Carriage	750		
Discount	300		
Debtors	10,000		
Machinery	7,000		
Building	10,000		
	90,580		90,580

Adjustments:

- (i) Stock in hand on 31-12-2009 Rs.12,300.
- (ii) Outstanding wages Rs.200 and Salaries Rs.100.
- (iii) Accrued Commission Rs.300.
- (iv) Create 5% provision for bad and doubtful debts.
- (v) Charge 10% depreciation on Machinery.