

Financial Accounting – I
(Q1 to Q. 16 carries 1 marks each)

- Q1.** Which one is the advantage of the accounting ?
A) Shows the present value of the business C) Window dressing
B) Shows the effect of price level challenges D) Replacement of Memory
- Q2.** Purpose of financial accounting is to ascertain:
A) Profit or loss C) Value of assets and liabilities
B) Profit and Loss and financial position D) Financial Position
- Q3.** Use of common unit of measurement and common format of reporting promotes:
A) Comparability C) Reliability
B) Relevance D) Understanding
- Q4.** On 1st Jan., 2024 Mr. Vats was appointed as Marketing Manager of the firm with a salary of Rs. 50,000 per month. State whether this event will be recorded in the books of accounts.
- Q5.** Mr A, an electronic goods dealer, gifted a washing machine valued Rs. 25,000 to his friend Mr. B. Will it be recorded in the books of accounts?
- Q6.** Differentiate between Assets and Goods on the basis of any two points.
- Q7.** What is Trade Discount?
- Q8.** Current Liabilities include :
A) Bills Payable C) Creditors
B) Outstanding expenses D) All of the above
- Q9.** Amount owed to outsiders is called capital. Is it true or False.
- Q10. Assertion (A) :**
Capital is a liability of the firm towards the proprietor.
Reason (R) :
Capital is a liability because the proprietor is separate and distinct from the business.
A) Both (A) and (R). are true and you (R) is the correct explanation of (A).
B) Both (A) and (R) are true but (R) is not the correct explanation of (A).
C) (A) Is true, but (R) is false.
D) (A) is false, but (R) is true .
- Q11.** According to which concept the same accounting methods should be used each year :
A) Prudence C) Full Disclosure
B) Materiality D) Consistency
- Q12.** Providing depreciation on fixed assets is in accordance with which of the following principles/concept.
(1) Going Concern (2) Matching Concept (3) Materiality

- A) (1) & (2)
- B) (2) & (3)
- C) (1) & (3)
- D) All of three

Q13. According to which of the following, a business is considered to run for indefinite period:

- A) Business Entity Concept
- B) Historical cost concept
- C) Money Measurement Concept
- D) Going concern Concept

Q14. According to Convention of Conservatism:

- A) Provision is made for bad and doubtful debts
- B) Depreciation charged on assets
- C) Recording is made of outstanding expenses
- D) All of the above

Q15. Following information is provided by Yash for the year ended 31st March,2024:

Credit Sales	Rs.12,50,000
Cash Sales	Rs.40,00,000
Expenses (Out of which Rs.30,000 is still to be paid)	Rs. 5,00,000

Ascertain the net profit or loss as per Cash Basis of Accounting.

Q16. In which basis of accounting Outstanding expenses are not recorded ?

(Q 17 and Q 18 carries 3 marks each)

Q17. Prepare trial balance from following information:

Krishna' s capital Rs. 1,60,000 , Vikas (creditor) Rs. 20,000, Harshul (Debtors) Rs. 82,000,Sales Rs. 70,000 , Goodwill Rs. 17,000, Bills Receivable Rs. 5,000 , cash in hand Rs. 3,000 ,stock (opening) Rs. 43,000, building Rs. 1,00,000.

Q18. Journalize the following transactions:

- A) Out of the rent paid Rs. 3,500 are related to next year.
- B) Goods costing Rs. 5,000 sold to Prakhar at a profit of 20% on sales .
- C) Paid Rs. 10,000 as Salary to Pratham.

(Q. 19 and Q. 20 carries 4 marks each)

Q19. Enter the following transactions in the Purchase book of Prathana Book Depot, Ayodhya

Date

2024

Nov.5	Purchased from Anshi Book Depot, Ayodhya cantt, vide Bill No. 653 : 10 dozen pencils @ Rs. 5 per pencil 100 registers @ Rs. 40 per register Trade discount @ 10%
Nov.10.	Purchased from Vani Furniture House , Niywan Ayodhya vide Bill no. 21 1 sofa set @ Rs. 20,000 1 Table @ Rs. 5,000
Nov. 20	Purchased from Mahak Book Depot, Devkali Ayodhya, vide Bill No. 459 150 pens @ 12 each 400 pencils @ Rs. 6 each
Nov.30.	Purchased from Srija Book Depot , Civil Lines Ayodhya vide Cash Memo 835 250 Staplers @ Rs. 56 each 40 pens @ Rs. 25 each.

- Q20. Total Input CGST Rs. 16,800**
Total Input SGST.....Rs. 16,800
Total Output CGST.....Rs. 18,800
Total Output SGST.....Rs. 18,800
Pass entry for Adjustment of GST account.
(Q 21 to Q 25 carries 6 marks each)

Q21. Prepare two column cash book having Cash and Bank column from the following:-

Date		Rs.
March 1	Cash in hand.	17,000
	Bank overdraft	3,000
March 2.	Goods costing Rs. 20,000 sold to Shaurya at a trade discount of 25%	
March 5	Cash deposited into Bank 10,000	
March 10	Rent paid	2,000
March 15	Received a cheque of Rs.15,000 from Prakhar	
March 16	Deposited the above cheque into the bank	
March 20.	Prakhar's cheque returned dishonoured.	
March 30	Withdrew Rs.2,000 from Bank for personal use.	
March 31	Deposited into Bank after retaining cash Rs. 1,500.	

Q22. On March 31st, 2024, the pass book of Krishna showed an overdraft of Rs. 18,300. From the following particulars, Prepare a bank reconciliation statement :

- Out of the total cheque issued, cheques for Rs. 8,200 have not presented for payment till 2nd of April 2024.
- Cheque paid into Bank for collection amounted to Rs.8,500, but cheques of Rs. 6,300 were credited on 3rd of April 2024.
- A Cheque of Rs. 1,200 was banked and credited but not recorded in cash book.
- Interest on overdraft charged by Bank Rs.100
- Amount wrongly credited by bank Rs. 300.

Q23. Rectify the following errors :

- Credit purchase from Sabir Rs. 8000 was recorded as 8,800
- Credit Sales to Aditya Rs. 2,500 was recorded in purchase book.
- Rs.30,000 spent on annual white - washing was debited to building account.
- Total of Sales Return book was overcast by Rs.500.
- Goods sold to Umar Rs. 7,000 was posted to Mansani' s account
- Furniture purchased for Rs. 10,000 wrongly debited to purchase Account as Rs. 1,000.

Q24. Makeja Steel Ltd. purchased a Machine on 1st April 2019 at a cost of Rs. 70,000 and spent Rs. 2,000 on its installation. The Company writes off depreciation @ 10% p.a. on diminishing balance method. On 1st October 2021, the company sold the machinery purchased on 1st April 2019 for Rs. 40,000 and purchased a new machinery costing Rs. 40,000 on the same day. If the accounting books are closed on 31st March every year, you are required to prepare 'Machinery Account ' for 3 years in the books of Makheja Steel Ltd.

Q25. You are given the following balances as on 1st April 2022:

Machinery Account	Rs. 5,00,000
Provision for Depreciation account	Rs. 1,20,000

Depreciation is charged on Machinery @ 10% p.a. on **Original Cost Method**. A piece of machinery costing Rs. 1,00,000 which was purchased on 1st April 2020 was sold on 1st October 2022 for Rs. 80,000.

Prepare Machinery Account, Provision for Depreciation account and Machinery disposal account for the year ended 31st March 2023.

PART- B
Financial Accounting - II
(Q 26 to Q 29 carries 1 marks each)

Q26. Balance Sheet is prepared :

- a) For a particular period
- b) For the whole year
- c) On a particular
- d) At the end of a calendar year

Q27. Which of the following is correct ?

- a) Adjusted Purchase= Opening Stock+ Net Purchase - Closing Stock
- b) Adjusted Purchase = Opening Stock+Net Purchase+Direct Expenses - Closing Stock.

Q 28. Manager of a firm is entitled for a commission of 6 %. The profit after the commission is Rs. 4,70,000. What is the amount of profit before commission?.

Q 29. What is the adjustment entry passed for Accrued Commission of Rs. 10,000 ? CGST and SGST are levied @ 9% each .

Q30. Prepare Trading and Profit & Loss Account & Balance Sheet for the year ending 31st March 2023 after making the adjustment:

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Capital			1,50,000
	Drawings		4,000	
	Plant and Machinery		70,000	
	Vechile		16,000	
	Sundry Debtors		30,000	
	Sundry Creditor			17,000
	Purchases		25,000	
	Sales			50,000
	Wages		5,000	
	Cash at Bank		10,000	
	Salaries		17,000	

	Repairs		2,000	
	Opening Stock		9,000	
	Rent		5,000	
	Carriage Inwards		1,000	
	Bad Debts		4,000	
	Commission			3,000
	Carriage outwards		2,000	
	Freehold Premises		20,000	
			2,20,000	2,20,000

Adjustments :

- 1) Closing stock was valued at Rs. 10,000 (market price Rs.12,000)
- 2) Outstanding Salaries Rs. 3,000 and pre-paid Rent Rs. 1,000.
- 3) Depreciate Plant & Machinery by 10 %.
- 4) Wages paid for 10 months.

(3+3+4)

Q31. Sativik started business on 1st July 2022, with a Capital of Rs. 4,00,000. He borrowed from his friend a sum of Rs. 1,00,000 @ 10% per annum (interest paid) for business and brought a further capital of Rs. 75,000. On December 31st 2022, his position was :

Particulars	Rs.
Cash	30,000
Stock	4,70,000
Debtors	3,50,000
Creditors	3,00,000

He withdrew Rs 8,000 per month during the year to meet his personal expenses. Calculate profit or loss for the year ended December 31st 2022. Show your working clearly.

(3+3)