### SECTION –A

I.    **Answer all of the following questions. Each Question carries one marks**

1.  Financial statement users include
    (a) Share holders
    (b) Government
    (c) Vendors
    (d) All of the above
2.  According to going concern concept a business will continue up to certain period. (True/False)
3.  What is journalising?
4.  cash book maintained to record small expenses is called_____
5.  Trial balance is:
    (a) An account
    (b) A statement
    (c) A subsidiary book
    (d) A principal book
6.  What is a promissory note?
7.  Give one example for current asset.
8.  Preparation of _____ is not possible under incomplete records mechanism.
9.  Expand AIS.
10. State any one accounting packages.

### SECTION – B

II.   **Answer all of the following Questions. Each Question carries two marks**

11. Distinguish between Debtors and Creditors.
12. What is the meaning of GAAP?
13. What is balancing of an account?
14. Name any two types of transactions recorded in the journal proper.
15. State any two reasons for the difference between cash book balance and pass book balance.
16. What is an error of omission?
17. Give four examples for capital reserves.
18. What do you mean by report?

### SECTION –C

III.  **Answer all of the following Questions. Each Question carries six marks**

19. Prepare accounting equation on the basis of the following:
    (a) Kunal started business with cash Rs 2,50,000
    (b) He purchased furniture for cash Rs 35,000
    (c) He paid commission of Rs 2000
    (d) He sold goods (costing Rs 20,000) for Rs 22,000
    (e) He purchased goods on credit Rs 40,000
    (f) He gave loan to Anil Rs 5000.

20. Enter the following transactions in the petty cash book on the imprest system and balance the same:

| Date | Particulars | Amount |
|---|---|---|
| 1-4-16 | Received cheque from cashier | 600 |
| 2-4-16 | Paid for bus tickets | 75 |
| 5-4-16 | Paid for cleaning office floor | 40 |
| 8-4-16 | Purchase of envelopes | 30 |
| 10-4-16 | Courier charges | 20 |
| 12-4-16 | Sent telegram | 45 |

21. Enter the following transactions in the single column cash book

| Date | Particulars | Amount |
|---|---|---|
| 2017 | | |
| March 05 | Cash sales | 12,000 |
| March 08 | Cash purchases | 7000 |
| March 12 | Withdrew from bank for office use | 3000 |
| March 15 | Paid for sundry expenses | 2500 |
| March 18 | Purchase of type writer | 4000 |
| March 20 | Withdrew cash for domestic use | 5000 |
| March 30 | Postage paid | 400 |

22. Prepare a trial balance from the following ledger balance extracted from the books of Mr. Harsha Traders, Tumakuru as on 31-3-2017.

| Sl.no | Particulars | Balance (Rs) |
|---|---|---|
| 1 | Opening stock | 18000 |
| 2 | Capital | 4,72,000 |
| 3 | Buildings | 46,000 |
| 4 | Plant | 33,860 |
| 5 | Carriages | 2000 |
| 6 | Sales | 3,60,000 |
| 7 | Purchases | 3,08,600 |
| 8 | Sales returns | 3640 |
| 9 | Machinery | 4,21,880 |
| 10 | Interest received | 1980 |

23. From the following information, calculate gross profit and operating profit for the year ending 31-3-2016

| Particulars | Amount |
|---|---|
| Opening stock | 1,00,000 |
| Net sales | 24,00,000 |
| Net purchases | 12,00,000 |
| Direct expenses | 1,20,000 |
| Operating expenses | 2,20,000 |
| Closing stock | 1,40,000 |

24. Prepare total creditors account from the information given below and find out the missing figure:

| Particulars | Amount |
|---|---|
| Credit purchases | 25,000 |
| Bills payable issued to creditors | 20,000 |
| Cash paid to creditors | 50,000 |
| Returns outwards | 750 |
| Cheque issued to creditors | 55,600 |
| Creditors as on 31/12/2015 | 60,000 |
| Creditors as on 1/1/2015 | ? |

25. Briefly explain various types of accounting software along with one advantage and one limitation.

**SECTION –D**

IV. **Answer all of the following Questions. Each Question carries twelve marks**

26. Journalise the following transactions

| Date | Particulars |
|---|---|
| 2017 Jan 01 | Commenced business with cash Rs 1,00,000 |
| Jan 02 | Cash purchases Rs 25,000 |
| Jan 05 | Till takings Rs 40,000 |
| Jan 07 | Deposited into bank Rs 20,000 |
| Jan 09 | Outstanding rent Rs 1000 |
| Jan 15 | Cash withdrawn for personal use Rs 2000 |
| Jan 17 | Prepaid insurance Rs 500 |
| Jan 18 | Commission receivable Rs 800 |
| Jan 20 | Bank charges Rs 200 |
| Jan 22 | Interest on capital Rs 2000 |
| Jan 25 | Goods given away by charity Rs 600 |
| Jan 28 | Drew for office use Rs 2000 |

27. Enter the following transactions in relevant subsidiary books of Kumar:

| Date | Particulars |
|---|---|
| 2017 Dec 01 | Purchased goods from Prem for Rs 20,000 less 5% trade discount |
| Dec 03 | Purchased goods from Sunil for Rs 15000 for cash |
| Dec 05 | Sold goods to Suresh for Rs 12000 |
| Dec 08 | Sold goods to Karan Rs 35000 less discount 10% |
| Dec 10 | Purchased goods from Mohan for Rs 15000 less trade discount 10% |
| Dec 13 | Sold goods to Sundar for Rs 30,000 |
| Dec 17 | Goods returned by Sundar worth Rs 5000 |
| Dec 20 | Goods returned to Prem Rs 5000 |
| Dec 22 | Sold old newspapers to Thomas Rs 200 |
| Dec 25 | Purchased goods from Naveen for Rs 20,000 |
| Dec 28 | Returned goods worth Rs 3000 to Mohan |
| Dec 30 | Bought gods from Ajay Rs 6500 |

28. From the following particulars, prepare Bank Reconciliation Statement as on 31-1-2017
    (a) Bank balance as per cash book Rs 40,000
    (b) Out of cheques issued for Rs 10,000; cheques for Rs 6000 cashed before 31-1-2017
    (c) There was a wrong credit in the pass book for Rs 2000
    (d) Bank charges debited in the pass book only Rs 400
    (e) Out of cheques amounting to Rs 8000 deposited into bank, Rs 5000 only collected before 31-1-2017
    (f) Payment received from a customer directly by the bank Rs 2000
    (g) Bills discounted dishonoured Rs 5000.

29. On 1-1-2014, a firm purchased machine costing Rs 80,000. On 1-7-2016, it sold the machine for Rs 60,000 and on the same date a new machine was purchased for Rs 20,000. Depreciation was charged annually @ 10% per annum on straight line method. Accounts are closed on 31$^{st}$ march every year. Show Machinery a/c and Depreciation a/c for first four years.

30. On 1-3-2017 Amar drew a bill for Rs 10,000 on Bimal for two months. Bimal accepted and returned it to Amar who endorses the same to Kamal. On the due date the bill was met.
    Pass the necessary journal entries in the books of all the parties.

31. Prepare financial statements for the year ending 31<sup>st</sup> march 2016, from the trial balance and adjustments given below.

| Particulars | Debit (Rs) | Credit (Rs) |
|---|---|---|
| Drawings and capital | 5000 | 30,000 |
| Opening stock | 13200 | |
| Purchases and sales | 40,000 | 60,000 |
| Debtors and creditors | 10,000 | 8500 |
| Salary | 500 | |
| Bad debts | 300 | |
| Printing & stationery | 1200 | |
| Wages | 1000 | |
| Postage | 800 | |
| Bills receivable & Bills payables | 3000 | 3000 |
| Furniture | 7500 | |
| Cash in hand | 1500 | |
| Bank overdraft | | 2000 |
| Machinery | 18000 | |
| Commission received | | 1500 |
| Advertisement | 3000 | |
| | 1,05,000 | 1,05,000 |

**Adjustments:**
(a) Closing stock Rs 10,300
(b) Depreciate machinery at 5% and furniture at 10%
(c) Create provision for doubtful debts at 5% on debtors and discount on debtors at 2%
(d) Interest on capital at 5%
(e) Provide for the manager commission at 10% on net profit before charging such commission.

32. Govind does not keep proper books of accounts. Following information is given.

| Particulars | 1/1/2015 (Rs) | 31/12/2015 (Rs) |
|---|---|---|
| Cash in hand | 18000 | 12000 |
| Cash @ bank | 1500 | 2000 |
| Stock in trade | 80,000 | 90,000 |
| Sundry debtors | 36,000 | 60,000 |
| Sundry creditors | 60,000 | 40,000 |
| Bank loan | 10,000 | 8000 |
| Office equipment | 25,000 | 30,000 |
| Land & buildings | 30,000 | 30,000 |
| Furniture | 10,000 | 10,000 |

During the year he introduced Rs 20,000 as further capital and withdrew goods worth Rs 2000 and cash Rs 10,000 from the business for his personal use.

**Adjustments:**
(a) Appreciate land & buildings by 10%
(b) Depreciate furniture by 5%
(c) Bad debts Rs 5000 and provide 10% for bad and doubtful debts on sundry debtors.
(d) Unexpired insurance amounted to Rs 500
Prepare: Statement of profit or loss for the year ending 31/12/2015
Revised statement of affairs as on 31/12/2015.

V.      **Answer all the questions. Each question carries five marks.**

33.  Draft a specimen of credit voucher.

34.  Prepare closing statement of affairs with five imaginary figures.

35.  Draw a block diagram of main components of computer.

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