

First Mid-Term Test - July, 2018

Time : 1.30 hrs.

ACCOUNTANCY

Max. Marks : 50

PART - A

Choose the right answer

10 x 1 = 10

1. Which one of the following is not the main objective of accounting?
 a) Systematic recording of transactions b) Ascertainment of the profitability of the business c) Ascertainment of the financial position of the business d) solving tax disputes with tax authorities.
2. Who is considered to be the internal user of the financial information?
 a) creditor b) customer c) employee d) government
3. The concept which assumes that a business will last indefinitely is a) business entity b) going concern c) periodicity d) conservation
4. In India, accounting standards are issued by
 a) Reserva Bank of India b) The cost and management accountants of India c) Supreme Court of India d) The Institute of Chartered Accountants of India.
5. In double entry system of book keeping every business transaction affects.....a) minimum of two accounts b) same account on two different dates c) two sides of the same account d) minimum three accounts
6. Which one of the following is representative personal account?
 a) Building a/c b) outstanding salary a/c c) Mahesh a/c d) Balan & Co.
7. Main objective of preparing ledger account is to
 a) Ascertain the financial position b) Ascertain the profit or loss c) Ascertain the profit or loss and the financial position d) know the balance of each ledger account
8. 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

9. Trial balance is a
 a) Statement b) Account c) Ledger d) Journal
10. The difference of totals of both debit and credit side of trial balance is transferred to
 a) Trading account b) Difference account c) Suspense account d) Miscellaneous account

PART - B

II. Answer any five of the following. 5 x 2 = 10

Q.No.11 is compulsory

11. Fill in the blanks.

Assets	=	Capital	+	Liabilities
1,00,000	=	25,000	+
.....	=	1,50,000	+	50,000

12. Define accounting?

13. Give any four accounting principles?

14. Fill in the missing information in the following journal entries.

a) Date	Particulars	Dr.	Cr.
Jan 1A/c Dr.	20,000	
	To.....		20,000
	(purchased goods for cash)		
5A/c Dr.	18,800	
A/c	200	
	To Geetha A/c		19,000
	(Received Rs.18,800/- in full settlement Rs.19,000)		

15. Prepare furniture a/c from the following transaction.

2016 Jan. 1 Furniture in hand Rs.2000/-

1 Purchased furniture for cash Rs.4,000/-

30 Sold furniture Rs.400/-

16. Give the format of Trial balance?

17. What is a ledger?

PART - C

III. Answer any five of the following. **Question No.18 is compulsory** 5 x 3 = 15

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

19. Classify the following into personal, real and nominal accounts.

a) Capital a/c

- b) Commission received a/c
 - c) Buildings a/c
 - d) Chandru a/c
 - e) Cash a/c
 - f) Rent paid a/c
20. Give opening journal entry of Vinoth.
 Cash Rs.40,000/-
 Stock Rs.50,000/-
 Machinery Rs.40,000/-
 Debtors Rs.20,000/-
 Creditors Rs.10,000/-
21. Show the accounting equation for the following transaction.
- a) Started business with cash Rs.80,000/-
 - b) Goods purchased on credit from Ramesh Rs.10,000/-
 - c) Purchased furniture for cash Rs.6,000/-
22. Distinguish between journal and ledger (any 3)
23. "Only monetary transactions are recorded in accounting" - Explain.
24. State the balances for the following.
 (Debit or credit)
- a) Sundry debtors
 - b) Sundry creditors
 - c) Cash in hand
 - d) Bank overdraft
 - e) Salary
 - f) Discount allowed

PART - D

- IV. Answer the following 3 x 5 = 15
25. a) Prepare accounting equation for the following transactions.
- a) Murugan commenced business with cash Rs.80,000/-
 - b) Cash purchase Rs.30,000/-
 - c) Paid salary Rs.5,000/-
 - d) Bought goods from Kumar for Rs.5,000/- and deposited the money in CDM
 - e) Introduced additional capital Rs.10,000/- (OR)
- b) Give journal entries for the following.
 2017 June 1 Basu started business

with cash Rs.50,000/-

- 4 Purchased furniture Rs.6,000/-
- 7 Purchased machinery on credit from Harish Rs.10,000/-
- 10 Cash purchase Rs.4,000/-
- 18 Paid insurance premium Rs.100/-

26. a) Pass journal entries for the following and give any three ledger accounts.

- 2017 Aug. 1 D started business with cash Rs.70,000/-
6 Cash received from G Rs.10,000/-
10 Rent paid Rs.3,000/-
20 Received commission from Anand Rs.5,000/-

(OR)

b) Prepare trial balance

- 1. Cash in hand Rs.65,500/-
 - 2. Discount received Rs.300/-
 - 3. Creditors Rs.15,000/-
 - 4. Buildings Rs.50,000/-
 - 5. Stock Rs.6,000/-
 - 6. Direct expenses Rs.5,000/-
 - 7. Capital Rs.45,000/-
 - 8. Purchases Rs.49,700/-
 - 9. Carriage outwards Rs.3,500/-
 - 10. Sales Rs.59,400/-
27. a) Discuss briefly the branches of accounting. **(OR)**
b) Journalise the following.
- 1. Purchased goods from B & Co and payment made through credit card Rs.5,000/-
 - 2. Paid A & Co. through RTGS Rs.3,00,000/-
 - 3. Sold goods to C & Co. and cheque received Rs.50,000/-
 - 4. Purchased goods from Z & Co and paid through debit card Rs.12,000/-
 - 5. Income tax paid by cheque Rs.10,000/-