

ST. PHILOMENA'S COLLEGE (AUTONOMOUS), MYSORE

PG DEPARTMENT OF COMMERCE

QUESTION BANK (Revised Curriculum 2018-20)

SECOND YEAR- THIRD SEMESTER (2018-20 Batch)

Sub: Code- C9180 COURSE TITLE (PAPER TITLE): BASICS OF ACCOUNTING QP Code: 96208

UNIT	Sl. No.	QUESTIONS	MARKS
1	1.	Describe the meaning of Accounting. Mention its importance.	5
1	2.	Define Book-keeping. Explain its need.	5
1	3.	Describe Accounting Concepts. Enumerate them.	5
1	4.	Write short notes on a) Separate legal entity b) Going concern concept	5
1	5.	Write short notes on a) Accounting period concept b) Historical cost concept	5
1	6.	Describe Accounting Conventions. Enumerate them.	5
1	7.	Explain the Convention of Full Disclosure.	5
1	8.	Explain the Convention of Consistency.	5
1	9.	Distinguish between Accounting concepts and Conventions.	5
1	10.	Explain the term 'business transaction'. Mention its types	5
2	11.	Write a note on Ledger A/c.	5
2	12.	Write a note on Journal Entries.	5
2	13.	State the difference between Journal Entries and Ledger A/c's.	5
2	14.	State the rules of debit and credit of Accounts.	5
2	15.	Brief out the objectives of Journal.	5
2	16.	Mention the features of Journal.	5
2	17.	Classify the following Accounts into Personal, Real and Nominal Accounts. a. Furniture A/c b. Stationery A/c c. Capital A/c d. Discount A/c e. Sales A/c, Cash A/c, f. Sports club A/c g. Investment A/c h. Goodwill A/c	5

- i. Parameshwari A/c.
- 2 18. Classify the following A/c's into Personal, Real and Nominal A/cs. 5
- a. National Trading Co. Ltd.'s A/c
  - b. Purchase A/c, Buildings A/c
  - c. Repairs A/c
  - d. Postage A/c
  - e. Carriage A/c
  - f. Depreciation A/c
  - g. Ramu A/c
  - h. Vanaraj A/c
  - i. Cash A/c.
- 2 19. Classify the following Accounts into Personal, Real and Nominal A/cs. 5
- a. Furniture A/c
  - b. Stationery A/c
  - c. Capital A/c
  - d. Discount A/c
  - e. Sales A/c
  - f. Wages A/c
  - g. Investment A/c
  - h. Goodwill A/c
  - i. ABC Shares A/c
  - j. Purchase A/c
- 2 20. Classify the following Accounts into Personal, Real and Nominal Accounts. 5
- a. Carriage A/c
  - b. Depreciation A/c
  - c. Charity A/c
  - d. Bills receivable A/c
  - e. Bills payable A/c
  - f. Interest A/c
  - g. Discount A/c
  - h. Commission A/c
  - i. Ranjith A/c
  - j. ABC University A/c
- 2 21. Classify the following Accounts into Personal, Real and Nominal Accounts. 5
- a. Tarini A/c
  - b. Syndicate Bank A/c

- c. Rent A/c
- d. Salary A/c
- e. Furniture A/c
- f. Buildings A/c
- g. Patents A/c
- h. Goodwill A/c
- i. University A/c
- j. Commission A/c.

- |   |     |   |   |
|---|-----|---|---|
| 2 | 22. | Describe Subsidiary books and state its importance.   | 5 |
| 2 | 23. | Write short notes on Journal Proper.  | 5 |
| 2 | 24. | Briefly explain Cash book and enumerate its types.  | 5 |
| 3 | 25. | Classify the following transactions with respect to their entry in the subsidiary books.            | 5 |
|   |     | a. Goods purchased for cash   |   |
|   |     | b. Goods sold   |   |
|   |     | c. Stationery purchased   |   |
|   |     | d. Purchased furniture  |   |
|   |     | e. Goods sold for cash  |   |
| 3 | 26. | Classify the following transactions with respect to their entry in the subsidiary books.            | 5 |
|   |     | a. Purchases made by paying Rs. 1000  |   |
|   |     | b. Purchased vehicle  |   |
|   |     | c. Goods purchased was returned   |   |
|   |     | d. Goods bought by the customer were returned   |   |
|   |     | e. Customer claimed Rs. 50 for damage   |   |
| 3 | 27. | Classify the following transactions with respect to their entry in the subsidiary books.            | 5 |
|   |     | a. Goods bought on credit   |   |
|   |     | b. Purchased building   |   |
|   |     | c. Goods purchased was returned   |   |
|   |     | d. Goods bought by the customer were returned   |   |
|   |     | e. Customer claimed Rs. 100 for damage  |   |
| 3 | 28. | Describe a Purchase book. Mention any five transactions to be included in it.                       | 5 |
| 3 | 29. | Describe aSales book. Mention any five transactions to be included in it.                           | 5 |
| 3 | 30. | Describe aPurchases return book andgive any five examples of the transactions to be included in it. | 5 |
| 3 | 31. | Describe Sales returns bookand give any five examples of the transactions to be included in it.     | 5 |

3	32.	Explain the concept of Petty Cashbook. Mention its types.	5
3	33.	Briefly explain the importance of Petty Cashbook. How a single cashbook is different from Double column cashbook?	5
3	34.	State the features of receipts and payments.	5
3	35.	Distinguish between Receipts and Payments.	5
3	36.	Outline the meaning of Non-Profit-Organization. Explain briefly the components of the financial statements maintained.	5
3	37.	Write the Receipts and Payments Account with imaginary figures.	5
3	38.	Briefly explain 'Income and Expenditure Account' with imaginary figures.	5
3	39.	Differentiate between Sales and Purchases book.	5
3	40.	Differentiate between Sales returns and Purchases returns.	5
4	41.	Write a note on Trading Account	5
4	42.	Briefly explain the Advantages of Trading Account.	5
4	43.	Briefly explain the objectives of Trading Account.	5
4	44.	Write a note on Profit and Loss Account.	5
4	45.	Briefly explain the Advantages of Trading Account	5
4	46.	Briefly explain the objectives of Profit and Loss Account.	5
4	47.	Write a note on Balance Sheet.	5

1	48.	Explain Accounting Cycle.	10
1	49.	Explain any five Accounting Concepts.	10
1	50.	Explain the Accounting Conventions.	10
1	51.	Explain the Accounting principles.	10
3	52.	Enter the following transactions in the purchases and sales book of SPC, a merchant for the year 2021	10
		Jan 1 Bought from Ajay, Mysore, 100 bags of rice at Rs. 80 per bag.	
		Jan 5 Bought from Vijay, Mysore, 20 bags of sugar at Rs. 200 per bag.	
		Jan 7 Sold to Anand, Bangalore, 10 bags of rice at Rs 120 per bag.	
		Jan 10 Bought from Ram Flour Mill, Coimbatore, 10 bags of wheat flour at Rs. 100per bag.	
		Jan 13 Sold to Shenoy, Mangalore, 10 bags of Sugar at Rs. 250 per bag.	
		Jan 15 Bought from Nilgiri Tea, Co., Nilgiris, 10 cases of tea at Rs. 100 per case.	
		Jan 18 Sold to Naveen, Mumbai, 10 bags of wheat at Rs. 50 per bag.	

- Jan 20 Sold to Avi and Co., Cochin, 10 bags of groundnut at Rs. 100 per bag.  
 Jan 25 Bought from Canara Coffee works Ltd., Mangalore 100 kgs, of coffee at Rs. 10 per kg.  
 Jan 30 Sold to Taj Hotel Ltd., Bangalore, 10 bags of wheat flour at Rs. 100 per bag.

3 53. Enter the following transactions in the purchases and sales book of Kamath, a merchant for the year 2020 10

- Jan. 1 Bought from James, Mysore, 200 bags of rice at Rs. 80 per bag.  
 Jan 5 Bought from Ajay, Mysore, 30 bags of sugar at Rs. 200 per bag.  
 Jan 7 Sold to Khushi, Bangalore, 20 bags of rice at Rs 120 per bag.  
 Jan 10 Bought from Laxman Flour Mill, Coimbatore, 20 bags of wheat flour at Rs. 100per bag.  
 Jan 13 Sold to Sita Mangalore, 20 bags of Sugar at Rs. 250 per bag.  
 Jan 15 Bought from Nilgiri Tea, Co., Nilgiris, 20 cases of tea at Rs. 100 per case.  
 Jan 18 Sold to Navneet, Mumbai, 20 bags of wheat at Rs. 50 per bag.  
 Jan 20 Sold to Avinash and Co., Cochin, 20 bags of groundnut at Rs. 100 per bag.  
 Jan 25 Bought from Coffee works Ltd., Mangalore 200 kgs, of coffee atRs. 10 per kg.  
 Jan 30 Sold to Tasneem Hotel Ltd., Bangalore, 20 bags of wheat flour at Rs. 100 per bag.

3 54. Enter the following transactions in a two-column Cash Book. (discount and cash column) 10

Date	Particulars
Feb 2019	
1	Commenced business with Rs. 10,000 in cash
4	Opened a current account with Bank of India and deposited therein Rs. 6,000
6	Received a cheque for Rs 5,000 for goods and
7	Issue a cheque for Rs 500 furniture purchased
8	Purchased goods for Rs 3,000 and paid by cheque
8	Received a cheque for Rs 490 in settlement of Rs 500 on
9	account from Ranjan
10	Purchased goods for Rs 500 and gave a checque for the same
11	Paid into Bank of India Rs 5,000
15	Paid Krishma Rs 225 in settlement of his account for Rs 240 by cheque
	Paid wages in cash Rs 200

- 3 55. Enter the following in SPC's Simple Cash Book. 10

Date 2019	Particulars
April 1	Balance of Cash in hand Rs 1,500
April 8	Purchased goods for cash from Sharma for Rs 320
April 15	Sold goods for Rs 480 to Yusuf for cash
April 20	Received commission Rs 65
April 22	Paid commission Rs 55
April 28	Paid to Shantharam on account Rs 715
April 30	Paid salary to the office clerk Rs 100 and office rent Rs 60

- 3 56. Enter the following in ABC's Simple Cash Book. 10

Date 2019	Particulars
April 1	Balance of Cash in hand 2,500
April 8	Purchased goods for cash from Varma for Rs 420
April 15	Sold goods for Rs 580 to Sam for cash
April 20	Received commission Rs 75
April 22	Paid commission Rs 65
April 28	Paid to Shanthi on account Rs 815
April 30	Paid salary to the office clerk Rs 200 and office rent Rs 60

- 3 57. Enter the following transactions in the purchases and sales book of SPC Co. Ltd for the year 2021 10

- Jan. 1- Bought from Leena, Mysore, 100 bags of rice at Rs. 50 per bag.
- Jan 5 - Bought from Sanjay, Mysore, 20 bags of sugar at Rs. 180 per bag.
- Jan 7 - Sold to Anandi, Bangalore, 10 bags of rice at Rs 100 per bag.
- Jan 10 - Bought from Ram Flour Mill, Coimbatore, 10 bags of wheat flour at Rs. 90 per bag.
- Jan 13 - Sold to Sheela, Mangalore, 10 bags of Sugar at Rs. 200 per bag.
- Jan 15 - Bought from Tea, Co., Kodagu, 10 cases of tea at Rs. 90 per case.
- Jan 18 - Sold to Naveen, Mumbai, 10 bags of wheat at Rs. 40 per bag.
- Jan 20 - Sold to Avi and Co., Cochin, 10 bags of groundnut at Rs. 120 per bag.
- Jan 25 - Bought from Canara Coffee works Ltd., Mangalore 100 kgs, of coffee at Rs. 20 per kg.

Jan 30 - Sold to Taj Hotel Ltd., Bangalore, 10 bags of wheat flour at Rs. 100 per bag.

- 3 58. From the following information prepare ledger accounts in the books of Ram for the year 2015 10
- September 1 - Credit balance b/d Rs.2,500
  - September 5 - Brought goods from Raj Rs.1,750
  - September 10- Returned goods worth Rs.1,600 to Mr. Raj
  - September 12 –Sold goods for Rs.8,500 to Raj
  - September 15 – Received goods returned by Mr. Raj valued at Rs.500
  - September 28 – Paid Mr. Raj Rs.2,260
  - September 29- Goods Purchased from Nag for cash Rs. 2,000
  - September 30- Sold Goods for Rs.1,000 to Mr. Takshak
  - September 30-Paid Salary Rs. 10,000
- 3 59. From the following information prepare ledger accounts in the books of Rao for the year 2015 10
- January1–Commenced business with Rs.5,000
  - January 7–Sold goods for cash Rs.1,500
  - January 7-Purchased goods from Ranganath for Rs. 2,000
  - January8 –Bought goods from Rahim Rs.4,000
  - January 17 – Returned goods to Rajkumar Rs.200
  - January26 – Rao withdrew for personal use Rs.800
  - January27 – Paid for stationery Rs.100
  - January 28-Paid Salary Rs.10,000
  - January31 – Received commission Rs.50.
- 3 60. From the following information prepare ledger accounts in the books of Madhu for the year 2017 10
- January 1 – Purchased goods from Paul Rs.5,000
  - January 5 – Sold goods to Kamath Rs.4,000
  - January 12 – Received from Kamath Rs.3,000
  - January 15 -Purchased furniture Rs.1,000
  - January 16- Paid Mr. A Rs.3,000
  - January 25 – Withdrew cash for personal use Rs.2,000
  - January 26- Purchased goods from Mr. A for Rs.4,000
  - January 28 – Bought in additional capital Rs.5,000
  - January 31 – Paid rent Rs.2,000 and paid wages Rs.3,000

- 3 61. From the following information prepare ledger accounts in the books of Nalini for the year 2018 10

January 1 – Sold goods to Raj Rs.50,000  
 January 5 – Purchased goods from Mr. Nag Rs.40,000  
 January 16 – Paid for stationery Rs.300  
 January 17 -Purchased Motor vehicle Rs.10,000  
 January 16- Received from Raj Rs. 40,000  
 January 25 – Withdrew cash for personal use Rs.500  
 January 26- Purchased goods from Mr. B for Rs.3,000  
 January 28 – Bought in additional capital Rs.50,000  
 January 31 – Paid rent Rs.5,000

- 3 62. From the following information prepare ledger accounts in the books of Naveen for the year 2019 10

March 1–Commenced business with Rs.50,000, Furniture Rs.10,000 and goods Rs.15,000  
 March 7–Sold goods for cash Rs.11,500  
 March 7-Purchased goods from Tarun for Rs. 20,000  
 March 8 –Bought goods from Nanda Rs.30,000  
 March 17 – Returned goods to Nanda Rs.200  
 March 26 – Naveen withdrew for personal use Rs.8,000  
 March 27 – Paid for stationery Rs.1,000  
 March 28-Paid Salary Rs.15,000  
 March 31 – Received commission Rs.500

- 2 63. Prepare the trial balance from the following balances for the year ending 31<sup>st</sup> December, 2016 10

Particulars	Amount in Rs.
Capital	32200
Stock of goods	4,000
Motor car	8,000
Discount received	400
Sales	40,000
Cash at bank	4,000
Return inwards	2,000
Cash in hand	600
Rent	3,500



Discount allowed	300
Carriage	1,500
Purchases	15,000
Plant	15,000
Furniture	5,000
Wages	8,200
Creditors	6,500
Salaries	2,800
Commission received	800
Debtors	5,600
General expenses	800

64. Prepare the trial balance from the following balances for the year ending 31<sup>st</sup> December, 2016

<b>Particulars</b>	<b>Amount in Rs.</b>
Capital	14,000
Stock of goods	2,000
Motor car	4,000
Discount received	200
Sales	28,700
Cash at bank	2,000
Return inwards	1,000
Cash in hand	300
Rent	1,750
Discount allowed	150
Carriage	750
Purchases	7,500
Plant	7,500
Furniture	2,500
Wages	4,200
Creditors	3,250
Salaries	1,400
Commission received	400
Return inwards	500
Debtors	2,800
General expenses	400

Prepare the trial balance of Sri Manu as on 31<sup>st</sup> March 2018.

Particulars	Amount in Rs.	Particulars	Amount in Rs.
Capital	4,00,000	Bills receivable	2,00,000
Creditors	2,70,000	Purchases	1,00,000
Bills payable	2,00,000	Carriage inwards	10,000
Sales	3,00,000	Carriage outwards	20,000
Interest received	5,000	General expenses	50,000
Buildings	1,00,000	Insurance	5,000
Machinery	2,00,000	Cash in hand	10,000
Furniture	1,00,000	Audit fees	5,000
Debtors	4,00,000	Cash at bank	3,000
Opening stock	10,000	Discount allowed	2,000

2 66. Prepare the trial balance from the following balances for the year ending 31<sup>st</sup> December, 2018

Particulars	Amount in Rs.
Capital	322000
Stock of goods	4,0000
Motor car	8,0000
Discount received	4000
Sales	40,0000
Cash at bank	4,0000
Return inwards	2,0000
Cash in hand	6000
Rent	3,5000
Discount allowed	3000
Carriage	1,5000
Purchases	15,0000
Plant	15,0000
Furniture	5,0000

Wages	8,2000
Creditors	6,5000
Salaries	2,8000
Commission received	8000
Debtors	5,6000
General expenses	8000

2 67. Prepare the trial balance of Mr. A as on 31<sup>st</sup> March 2019.

Particulars	Amount in Rs.	Particulars	Amount in Rs.
Capital	2,35,000	Bills receivable	1,00,000
Creditors	50,000	Purchases	50,000
Bills payable	1,00,000	Carriage inwards	5,000
Sales	1,00,000	Carriage outwards	10,000
Interest received	2,500	General expenses	25,000
Buildings	50,000	Insurance	2,500
Machinery	1,00,000	Cash in hand	5,000
Furniture	50,000	Audit fees	2,500
Debtors	2,00,000	Cash at bank	1,500
Opening stock	5,000	Discount allowed	1,000

4 68. From the following particulars, prepare a trading account for the year ended 31st Dec, 2016.

Particulars	Rs.
Stock of goods on 1-1-2016	4,000
Purchases	10,000
Wages	2,000
Power	500
Factory rent	1,000
Purchases returns	2,000
Sales	25,000
Sales returns	2500
Stock of goods on 31-12-2016	3500

- 4 69. From the following particulars, prepare a trading account for the year ended 31st Dec, 2020.

Particulars	Rs.
Stock of goods on 1-1-2020	10,000
Purchases	22,000
Wages	6,000
Power	4,000
Factory rent	3,000
Purchases returns	6,000
Sales	52,000
Sales returns	7,000
Stock of goods on 31-12-2020	9,000

- 4 70. From the following particulars, prepare a profit and loss account for the year ended 31<sup>st</sup> December, 2015.

Particulars	Rs.
Gross Profit	60,000
Salaries	10,000
Rent and Taxes	4,000
Postage and Telegrams	100
Printing and stationery	200
General expenses	300
Depreciation:	
On Furniture	100
On Machinery	300
Discount allowed	200
Discount received	100
Rent received	500

71. From the following particulars, prepare a profit and loss account for the year ended 31<sup>st</sup> December, 2016.

Particulars	Rs.
Gross Profit	30,000
Salaries	5,000
Rent and Taxes	2,000
Postage and Telegrams	100
Printing and stationery	200
General expenses	300
Depreciation:	
On Furniture	100
On Machinery	300
Discount allowed	100
Discount received	50
Rent received	250

4 72.

From the following particulars, prepare a profit and loss account for the year ended 31<sup>st</sup> December, 2020.

Particulars	Rs.
Gross Profit	80,000
Salaries	20,000
Rent and Taxes	4,000
Commission allowed	200
Commission received	300
Carriage Outwards	1,000
General expenses	100
Depreciation on Furniture	300
Discount allowed	100
Discount received	500

4 73.

From the following particulars, prepare a profit and loss account for the year ended 31<sup>st</sup> December, 2020.

Particulars	Rs.
Gross Profit	70,000
Salaries	10,000
Rent and Taxes	3,000
Commission allowed	100
Commission received	200
Carriage Outwards	1,000
General expenses	100
Depreciation on Furniture	200
Discount allowed	100
Discount received	400

2 74.

From the following particulars, prepare a trading account for the year ended 31<sup>st</sup> Dec, 2015.

10

Particulars	Rs.
Stock of goods on 1-1-2015	8,000
Purchases	20,000
Wages	4,000
Power	2,000
Factory rent	1,000
Purchases returns	4,000
Sales	50,000
Sales returns	5,000
Stock of goods on 31-12-2015	7,000

4 75.

On 31<sup>st</sup> December 2019 the following Trial Balance was extracted from the books of 'B'

15

Particulars	Amount in Rs.	Amount in Rs.
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Capital		43,000
Drawings	5,000	
Debtors and Creditors	29,800	10,000
Cash in hand	2,000	
Opening stock	6,800	
Motor vehicles	10,000	
Cash at bank	3,500	
Land and buildings	12,000	
Purchases and sales	60,000	1,10,000
Sales returns and purchase returns	8,000	1,500
Carriage outward	2,500	
Carriage inward	3,000	
Salaries	9,000	
Rent, taxes and insurance	3,000	
Advertising	4,000	
Discount received		500
General expenses	3,400	
Bills receivable and bills payable	6,000	2,000
Rent received		1,000
<b>Total</b>	<b>1,68,000</b>	<b>1,68,000</b>

Prepare trading and profit and loss account for the year ended 31<sup>st</sup> December, 2019 and balance sheet as on that date after making adjustments.

**Adjustments:**

1. Closing stock was valued at Rs. 1,500.
2. Depreciate building at 10% p.a.

4 76. On 31<sup>st</sup> December 2018 the following Trial Balance was extracted from the books of 'C' 15

Particulars	Amount in Rs.	Amount in Rs.
Capital		60,000
Drawings	10,000	
Debtors and Creditors	34,600	20,000
Cash in hand	4,000	
Opening stock	13,600	

Motor vehicles	20,000	
Cash at bank	7,000	
Land and buildings	24,000	
Purchases and sales	1,20,000	2,20,000
Sales returns and purchase returns	16,000	3,000
Carriage outward	5,000	
Carriage inward	6,000	
Salaries	18,000	
Rent, taxes and insurance	6,000	
Advertising	7,000	
Discount		1,000
General expenses	6,800	
Bills receivable and bills payable	12,000	4,000
Rent received		2,000
<b>Total</b>	<b>3,10,000</b>	<b>3,10,000</b>

Prepare trading and profit and loss account for the year ended 31<sup>st</sup> December, 2018 and balance sheet as on that date after making adjustments.

**Adjustments:**

1. Closing stock was valued at Rs. 3,000.
2. Depreciate building at 5% p.a.

4 77. On 31<sup>st</sup> December 2019 the following Trial Balance was extracted from the books of 'B' 15

Particulars	Amount in Rs.	Amount in Rs.
Capital		15,000
Drawings	2,500	
Debtors and Creditors	14,900	5,000
Cash in hand	1,000	
Opening stock	3,400	
Motor vehicles	5,000	
Cash at bank	1,750	
Land and buildings	6,000	
Purchases and sales	23,500	55,000
Sales returns and purchase returns	4,000	750
Carriage outward	1,750	
Carriage inward	1,500	



Salaries	4,500	
Rent, taxes and insurance	1,500	
Advertising	2,000	
Discount received		250
General expenses	1,700	
Bills receivable and bills payable	3,000	1,500
Rent received		500
	<b>78000</b>	<b>78000</b>

Prepare trading and profit and loss account for the year ended 31<sup>st</sup> December, 2019 and balance sheet as on that date after making adjustments.

**Adjustments:**

1. Closing stock was valued at Rs. 5,000.
2. Depreciate building at 20% p.a.

4

78.

The following is the trial balance of Mr. Rahul on 31<sup>st</sup> December 2015.

15

Particulars	Amount in Rs.	Amount in Rs.
Capital		1,50,000
Drawings	25,000	
Debtors and Creditors	1,49,000	70000
Cash in hand	10,000	
Opening stock	34,000	
Motor vehicles	50,000	
Cash at bank	17,500	
Land and buildings	60,000	
Purchases and sales	3,00,000	5,50,000
Sales returns and purchase returns	40,000	7,500
Carriage outward	17,500	
Carriage inward	15,000	
Salaries	45,000	
Rent, taxes and insurance	15,000	
Advertising	20,000	
Discount		2,500
General expenses	17,000	
Bills receivable and bills payable	30,000	15,000
Rent received		50,000
	<b>8,45,000</b>	<b>8,45,000</b>

Prepare trading and profit and loss account for the year ended 31<sup>st</sup> December, 2015 and balance sheet as on that date after making adjustments.

**Adjustments:**

1. Closing stock was valued at Rs. 5,000.
2. Depreciate motor vehicles at 10% p.a.

**Note: The attached question paper is to be taken as a model question paper and all the M.Com III semester Question papers will have the similar pattern.**

Q.P Code: 96208

**St. Philomena's College (Autonomous) Mysore**  
**III Semester Final Examination : Nov - 2019**

**Subject: OPEN ELECTIVE**

**Title: BASICS OF ACCOUNTING**

**Time: 3 Hours**

**Max Marks: 70**

**PART -A**

**Answer any FIVE of the following:**

**5×5=25**

1. What is accounting? What are its objectives?
2. What are the different conventions in accounting? Explain briefly.
3. What are the differences between receipt and payment?
4. What is a Balance Sheet? State the importance of it.
5. Write a short note on the following:
  - a) Accounting Period concept
  - b) Personal account
  - c) Convention of full disclosure
  - d) Trading Account
  - e) Closing Stock
6. Journalise the following transactions in the books of Krishna:
  - a) Commenced business with Rs.1,00,000
  - b) Opened a Current Account with Syndicate Bank and deposited Rs.50,000.
  - c) Purchased goods on cash Rs.5,000.
  - d) Withdrew Rs.5,000 for personal use
  - e) Sold goods to Vishnu Rs.4,000.
7. How do you treat the following items while preparing the financial statements?
  - a) Salaries and wages
  - b) Carriage inwards
  - c) Prepaid insurance
  - d) Commission received in advance
  - e) Depreciation.

**PTO**



8. Write out the account of Mr. Bharath from the following transactions:
- 01/01/2018 Sold him goods worth Rs.900
  - 05/01/2018 Received from him Rs.350 on account.
  - 05/01/2018 Allowed him discount Rs.10.
  - 07/01/2018 Purchased from him goods worth Rs.300
  - 08/01/2018 Returned to him goods worth Rs.25
  - 12/01/2018 Received from him further cash Rs.100
  - 15/01/2018 Sold him goods worth Rs.100
  - 18/01/2018 He returned goods worth Rs.25
  - 20/01/2018 Sent him cash Rs.125.
  - 26/01/2018 Purchased from him goods worth Rs.125

**PART -B**

**Answer any THREE of the following:**

**3×10=30**

- 9. What is a journal? State the differences between journal and ledger.
- 10. What are the different concepts in accounting? How money measurement concept is different from matching Concept?
- 11. Explain the components of Final accounts.
- 12. Prepare a Trial Balance from the following ledger balances of Mr. Rama as on 30/06/2019

Name	Balance (Rs.)
Capital	40,000
Drawings	2,000
Land & Buildings	20,000
Stock 1 <sup>st</sup> July 2019	12,500
Machinery	5,000
Loose Tools	1,000
Furniture	1,200
Rent	1,800
Salary	1,100
Sundry Debtors	2,200
Sundry Creditors	1,000
Purchases	20,800
Sales	38,400
Discount received	1,750
Postage & telegrams	200
Wages	2,400
Carriage Inwards	200
Bills receivable	2,700
Sundry expenses	800
Income-tax paid	200
Cash in hand	1,000
Cash at bank	6,050



13. From the following information, prepare a Profit & Loss Account of Mr. Puneet for the year ending March 31, 2016.

Particulars	Amount
Gross Profit	60,000
Rent	5,000
Salary	15,000
Interest paid on loan	5,000
Advertising	4,000
Discount received	3,000
Printing & Stationary	2,000
Bad Debts	1,000
Depreciation	2,000
Interest received	2,000
Loss on fire	3,000

**PART – C**

**Case Study: (Compulsory)**

**1×15=15**

14. From the following Trial Balance of Rajkumar, prepare the trading and profit and loss account for the year ended 31<sup>st</sup> March 2018 and balance sheet as at that date, after taking into account the adjustments given below.

**Trial Balance as on 31-03-2018:**

Particulars	Debit	Credit
Rajkumar's Capital	-	58,000
Rajkumar's Drawings	1,520	-
Purchases and sales	17,800	30,000
Sales Returns & Purchase Returns	560	900
Stock (01/04/2018)	2,400	-
Wages	1,600	-
Land and Buildings	44,000	-
Manufacturing Expenses	4,000	-
General Expenses	400	-
Advertisement	480	-
Interest	-	700
Taxes and Insurance	260	-
Debtors and Creditors	13,000	2,400
Bills Receivable and Bills Payable	3,000	1,400
Cash at Bank	2,400	-
Cash in Hand	380	-
Salaries	1,600	-
	<b>93,400</b>	<b>93,400</b>

**Adjustments:**

- Stock on 31<sup>st</sup> March 2018 was valued at Rs.3,000.
- Insurance was prepaid to the extent of Rs.80
- Outstanding liabilities were: Salaries Rs.400 and Taxes Rs.260.
- Depreciate Land and Buildings at 2%.

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