



c. Stationary Rs.199

15. Journalise the following transactions:

3 jan	received cash from Ram	15,000
4 jan	purchased good for cash	2,500
11 jan	sold goods to Hari	3,200
13 jan	paid Ramesh	1,400
17 jan	received from Hari	1,100
20 jan	bought furniture from Ram	2,200
27 jan	paid rent	480
30 jan	paid salary	1,100

16. Prepare the advantages of journal?

17. Prove accounting equation:

Started business with cash	5,000	
Purchased goods for credit	400	
Purchased good for cash		100
Purchased furniture	50	
Withdrew for personal use	70	
Paid rent		20
Received interest		10
Sold goods costing Rs 50 on credit for Rs70		
Paid to creditors		40
Paid for salaries	20	
Further capital invested	1,000	
Borrowed from P		1,000

18. Record the following in the two column cash book and do posting:

- Jan 1 cash balance Rs 5,000
- Jan 6 sold goods to Mahesh Rs 4,000
- Jan 8 purchased good from Mukesh Rs 3,000
- Jan 15 cash received from Mukesh Rs 3,900 in full satisfaction
- Jan 20 paid to Mukesh Rs 2,380 in full satisfaction
- Jan 25 sold goods to Suresh Rs 3,000
- Jan 31 received cash from Suresh Rs 2,900 in full satisfaction

SECTION C

19. Explain the reasons of difference between Bank Records and Depositor's Accounting Record?

20. Prepare a bank reconciliation statement as on May 31, 2014.

The bank passbook of M/s. Boss & Co. showed a balance of Rs. 45,000 on May 31, 2014.

Cheques issued before May 31, 2014, amounting to Rs. 25,940 had not been presented for encashment.

Two cheques of Rs. 3,900 and Rs. 2,350 were deposited into the bank on May 31 but the bank gave credit for the same in June, 2014.

There was also a debit in the passbook of Rs. 2,500 in respect of a cheque dishonoured on 31.5.2014.

21. Enumerate trial balance. Discuss its importance, limitations and methods of preparation.

22. Explain need, functions and attributes of accounting.

23. Following are extracted from the books of Mr Arjun as on 31st March 2016:

Particulars	Dr	Cr
Capital		1,00,000
Palnt & machinery	78,000	
Furniture	2,000	
Sales		1,27,000



Purchases	60,000	
Returns	1,000	750
Opening stock	30,000	
Discount	425	800
Debtors	45,000	
Creditors		25,000
Salaries	7,550	
Wages	10,000	
Carriage outwards	1,200	
Provision for bad debts		525
Rent and rates	10,000	
Advertisement	2,000	
Cash	6,900	

Adjustments:

Closing stock was valued at rs 34,220

Provision for bad debts is to be kept at rs 500

Allow interest on capital @ 10% per annum

Depreciate plant and machinery by 10% and furniture by 5%

Outstanding salary rs 550 and prepaid rent rs 1,000

Goods worth rs 1,000 distributed as samples.

MODULE 2 (CO Identify the principles of accounting)

(Blooms Taxonomy Level2-Understand)

SECTION A

1. Show the adjustment entry for accrued incomes.
2. Estimation of days of grace
3. Define accounting.
4. Reproduce debtor
5. Sketch drawings
6. Prepare about current assets?
7. Enumerate GAAP?
8. Define accounting.
9. Define accounting.
10. State 4 functions of accounting

SECTION B

11. Compare subsidiary books and its benefits.
12. Sketch about trial balance, its limitations and methods.
13. Differentiate journal and ledger.
14. Explain the reasons for preparing bank reconciliation statement.
15. Differentiate provision and reserve.
16. Explain the features of balance sheet.
17. On 1st August 2018, A sold goods to B for ₹ 10000 on credit. He drew a bill on B on the same date for the amount to be paid on 1st October 2018. B accepted the bill. A got the bill discounted with the bank on 1 Aug @12% p.a. On the due date, the bill was dishonoured and noting charges paid by A ₹50.
18. Pass the necessary journal entry for bills of exchange in the books of A and B.

SECTION C

19. On 1st January 2007, machinery was purchased by X for rs 50,000. On 1st July 2008 additions were made to the extent of rs10,000. On 1st April 2009, further additions were made to the extent

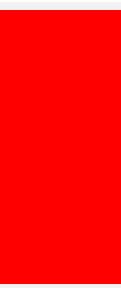
of Rs 6,400. On 30th June 2010 machinery, the original value of which was Rs 8,000 on 1st January 2007, was sold for Rs 6,000. X closes his books on 31st December.

20. Prepare machinery account with depreciation at 10% using SLM and DBM method.

21. From the following particulars of Mr. Vinod, prepare bank reconciliation statement as on March 31, 2014. 1. Bank balance as per cash book Rs. 50,000. 2. Cheques issued but not presented for payment Rs. 6,000. 3. The bank had directly collected dividend of Rs. 8,000 and credited to bank account but was not entered in the cash book. 4. Bank charges of Rs. 400 were not entered in the cash book. 5. A cheque for Rs. 6,000 was deposited but not collected by the bank. (p158)

22. There are several mistakes in the Umer & Brothers (Pvt.) Ltd. Trial Balance. You are requested to identify Errors and make corrected Trial Balance?

<i>S. No</i>	<i>Heads of Accounts</i>	<i>Ref</i>	<i>Debit</i>	<i>Credit</i>
1	Umer Owner Equity			1,551
2	Umer Drawings		560	
3	Equipments		2,850	
4	Sales			2,850
5	Due from Customers			530
6	Purchases		1,260	
7	Purchase Return		364	
8	Bank Loan			996
9	Creditors		528	
10	Taxes		720	
11	Cash in Hand		226	
12	Note Payable		680	
13	Inventory			264
14	Repair		461	
15	Return Inward			98
Total			Rs. 7,649	Rs. 6,289



MODULE 3 (CO Compare the processes for recording transactions)

(Blooms Taxonomy Level 4-Analyse)

SECTION A

1. Explain accounting equation
2. Appraise the accounts to be debited and credited:
3. Rent paid; machinery sold for cash
4. Indicate owner's equity
5. Differentiate cash and trade discount.
6. Identify the users of accounting information?
7. Deduce drawings?
8. Explain about personal accounts?
9. Business entity concept.
10. A brief about journal.

SECTION B

11. On April 1, 2017, Hassan Sajed store cash book showed debit balances of cash Rs. 1,550 and bank Rs. 13,575. during the month of April following business was transacted. you are required to prepare cash book?

April 2017

02 Purchased Office Type-Writer for Cash Rs. 750; Cash Sales Rs. 1,315.

07 Deposited Cash Rs. 500 to bank.

10 Received from A. Hussain a cheque for Rs. 2,550 in part payment of his account (not deposited).

- 16 Paid by cheque for merchandise purchased worth Rs. 1,005.
- 20 Deposited into Bank the cheque received from A. Hussain.
- 22 Received from customer a cheque for Rs. 775 in full settlement of his accounts (not deposited).
- 24 Sold merchandise to sweet Bros. for Rs 1,500 who paid by cheque which was deposited into bank.
- 26 Paid creditor a Salman Rs. 915 by cheque.
- 28 Deposited into Bank the cheque of customer of worth Rs. 775 was dated 22nd April.
- 29 Paid wages by cash Rs. 500 and salary Rs. 1,000 by bank.
- 30 Drew from Bank for Office use Rs. 250 and Personal use Rs. 150.
12. Journalise for March 2014,
1 started business with cash Rs 40,000 and furniture Rs 10,000
2 Purchased good from Ajay traders Rs 10,000 at 10% trade discount for cash.
3 Borrowed Rs 20,000 from Vidya bank
4 Purchased machinery from Sunil traders for Rs 11,000 on credit and paid installation charges Rs 500 in cash.
5 Purchased a watch dog from Nithin for Rs 2,800 in cash to guard the business premises.
6 Goods worth Rs 700 were distributed as free samples.
7 House rent of Rs 1,500 paid to Raghu by cheque.
8 Sold goods for cash to Manik worth Rs 3,000 at 10% cash discount and 20% trade discount.
13. Explain step for preparing a bank reconciliation statement?
14. March 31, 2014.
I. Bank balance as per cash book Rs. 50,000.

2. Cheques issued but not presented for payment Rs. 6,000.
3. The bank had directly collected dividend of Rs. 8,000 and credited to bank account but was not entered in the cash book.
4. Bank charges of Rs. 400 were not entered in the cash book.
5. A cheque for Rs. 6,000 was deposited but not collected by the bank.
15. From the following particulars of Anil & Co. prepare a bank reconciliation statement as on August 31, 2014.
 1. Balance as per the cash book Rs. 54,000.
 2. Rs. 100 bank incidental charges debited to Anil & Co. account, which is not recorded in cash book.
 3. Cheques for Rs. 5,400 is deposited in the bank but not yet collected by the bank.
 4. A cheque for Rs. 20,000 is issued by Anil & Co. not presented for payment.
15. Explain the reasons which cause pass book of the bank and your bank book not tally.
16. What are the important things to be remembered while preparing a bank reconciliation statement?
17. Explain bank reconciliation statement. why is it prepared? who maintains bank reconciliation statement?
18. Conclude items will be subtracted while preparing a bank reconciliation statement?

SECTION C

19. On **April 01, 2016** Anees started business with Rs. 100,000 and other transactions for the month are:
 2. Purchase Furniture for Cash Rs. 7,000.
 8. Purchase Goods for Cash Rs. 2,000 and for Credit Rs. 1,000 from Khalid Retail Store.
 14. Sold Goods to Khan Brothers Rs. 12,000 and Cash Sales Rs. 5,000.
 18. Owner withdrew of worth Rs. 2,000 for personal use.
 22. Paid Khalid Retail Store Rs. 500.
 26. Received Rs. 10,000 from Khan Brothers.
 30. Paid Salaries Expense Rs. 2,000
20. Enter the following transactions in the single column cash book of Mr. Mobbushar Khan:

2017	Transactions	Rs.
Jan. 1	Mr. Mobbushar Khan started business with cash	10,000
Jan. 3	Bought goods for cash	7,000
Jan. 7	Sold goods for cash	4,000
Jan. 10	Paid for trade expenses	1,000
Jan. 11	Sold goods for cash	1,600
Jan. 12	Credit sales	400
Jan. 13	Received commission	300
Jan. 14	Received cash from Essa Khan	5,000
Jan. 15	Paid cash to Mr. Arifullah Khan	700
Jan. 16	Expenses incurred but not paid	1,800
Jan. 18	Withdrew cash for personal use	3,000
Jan. 22	Bought machinery for cash	2,000
Jan. 23	Sold old furniture for cash	4,000
Jan. 24	Purchase on account	8,000
Jan. 25	Revenue earned but not received	1,900
Jan. 26	Paid for electricity bill	900
Jan. 31	Paid rent	1,500

2017	Transactions	Rs.
Jan. 1	Mr. Mobbushar Khan started business with cash	10,000
Jan. 3	Bought goods for cash	7,000
Jan. 7	Sold goods for cash	4,000
Jan. 10	Paid for trade expenses	1,000
Jan. 11	Sold goods for cash	1,600
Jan. 12	Credit sales	400
Jan. 13	Received commission	300
Jan. 14	Received cash from Essa Khan	5,000
Jan. 15	Paid cash to Mr. Arifullah Khan	700
Jan. 16	Expenses incurred but not paid	1,800
Jan. 18	Withdrew cash for personal use	3,000
Jan. 22	Bought machinery for cash	2,000
Jan. 23	Sold old furniture for cash	4,000
Jan. 24	Purchase on account	8,000
Jan. 25	Revenue earned but not received	1,900
Jan. 26	Paid for electricity bill	900
Jan. 31	Paid rent	1,500

21. From the following particulars make cash book of Ghulam Fatima Trading Co. for the month of November, 2016:

- 1 Cash balance (Cr) Rs. 2,000; Bank balance Rs. 40,000.
- 4 Cash sales Rs. 3,700; Credit sales Rs. 1,800 would be received at near future.
- 6 Paid Ahmed & Bros. by cash Rs. 500; Received cash by debtors Rs. 1,800.
- 12 Paid to vendor by means of check worth Rs. 2,700.
- 13 Paid Utility bills in cash Rs. 250; Bought goods by check Rs. 750.
- 19 Drew from Bank for office use Rs. 160; Personal withdrawal of cash Rs. 1,000.
- 20 Received a check from Hamid Rs. 2,700 and deposited into the bank.
- 21 Received by check from Munir Rs. 1,360; Discount Rs. 140 (not deposited).
- 25 Cash sales Rs. 2,100; Paid wages by bank Rs. 1,500.
- 28 Deposited Munir's check into bank.

- 29 Payment by check to Anees for Rs. 175; Discount received Rs. 25.
- 30 Munir's check has been dishonored and return by bank.
22. From the following particulars, prepare a bank reconciliation statement as on March 31, 2014. (a) Debit balance as per cash book is Rs. 10,000. (b) A cheque for Rs. 1,000 deposited but not recorded in the cash book. (c) A cash deposit of Rs. 200 was recorded in the cash book as if there is not bank, column therein. (d) A cheque issued for Rs. 250 was recorded as Rs. 205 in the cash column. (e) The debit balance of Rs. 1,500 as on the previous day was brought forward as a credit balance. (f) The payment side of the cash book was under cast by Rs. 100. (g) A cash discount allowed of Rs. 112 was recorded as Rs. 121 in the bank column. (h) A cheque of Rs. 500 received from a debtor was recorded in the cash book but not deposited in the bank for collection. (i) One outgoing cheque of Rs. 300 was recorded twice in the cash book.

MODULE 4 (CO Evaluate financial position)

(Blooms Taxonomy Level 5-Evaluate)

SECTION A

1. Summarise bank reconciliation?
2. Illustrate bank reconciliation statement?
3. Explain the importance of providing depreciation?
4. Appraise on direct expenses.
5. Judge acceptance of a bill
6. Recommend about capital reserve
7. Criticize about prepaid expense
8. Assess about operating and non-operating expenses.
9. Differentiate between balance sheet and trial balance.
10. Differentiate between profit and loss account and balance sheet.

SECTION B

11. Summarize about the purpose about preparing balance sheet
12. Illustrate grouping and marshalling in connection with balance sheet.

13. Compare adjusting enteries.
14. Distinguish different assets
15. Distinguish different liabilities.
16. Summarize in detail about final accounts.
17. Decide the role of outstanding expenses in final accounts.
18. Differentiate between prepaid expenses and outstanding expenses.

SECTION C

19. From the following trial balance of Faris Ali Qureshi & Bros. and additional information, prepare Trading and Profit & Loss account and Balance sheet for the year ended June 30th, 2019.

Particular	Dr	Cr	Particular	Dr	Cr
Capital		100,000	Transportation out	7,000	
Furniture	20,000		Creditors		120,000
Purchases	150,000		Provision for bad debts		6,000
Debtors	200,000		Printing and stationery	8,000	
Interest earned		4,000	Insurance expense	12,000	
Salaries	30,000		Opening stock	50,000	
Sales		321,000	Office expenses	12,000	
Purchases returns		5,000	Bank overdraft		2,000
Wages	20,000		Drawing	24,000	
Rent	15,000				
Sales return	10,000		Total	Rs. 558,000	Rs. 558,000

Additional Information

- Depreciation furniture by 10% by written down method (WDM).
- A provision for doubtful debts is to be created to the extent of 5% on sundry debtors.

- Salaries for the month of June, 2019 amounting to Rs. 3,000 were unpaid which must be provided for. However, salaries included Rs. 2,000 paid in advance. Office expenses outstanding Rs. 8,000.
 - Insurance amounting to Rs. 2,000 is prepaid.
 - Stock use for private purpose Rs. 6,000 and closing stock Rs. 60,000.
20. The bank passbook of M/s. Boss & Co. showed a balance of Rs. 45,000 on May 31, 2014.
- a. Cheques issued before May 31, 2014, amounting to Rs. 25,940 had not been presented for encashment.
 - b. Two cheques of Rs. 3,900 and Rs. 2,350 were deposited into the bank on May 31 but the bank gave credit for the same in June, 2014.
 - c. There was also a debit in the passbook of Rs. 2,500 in respect of a cheque dishonored on 31.5.2014.

Prepare a bank reconciliation statement as on May 31, 2014

21. Balance of Rs. 1,18,100 (Overdraft). On examining of the cash book and the bank statement, it was found that :
- a. Cheques received and recorded in the cash book but not sent to the bank of collection Rs. 12,400.
 - b. Payment received from a customer directly by the bank Rs. 27,300 but no entry was made in the cash book.
 - c. Cheques issued for Rs. 1,75,200 not presented for payment. Interest of Rs. 8,800 charged by the bank was not entered in the cash book. Prepare bank reconciliation statement.
22. Define depreciation. What are the causes of depreciation?

MODULE 5 (CO Utilize depreciation methods)

(Blooms Taxonomy Level 3-Apply)

SECTION A

1. Explain the concept of secret reserve
2. Illustrate the process of straight-line depreciation.

3. Enumerate why firms include depreciation in their accounts.
4. Interpret accumulated depreciation
5. Explain why firms include depreciation in their accounts.
6. Mention the various method used in depreciation calculation.
7. Determine causes of depreciation
8. What is sinking fund?
9. Describe the concept of amortization
10. Elucidate provisions and reserve

SECTION B

11. Distinguish between provision and reserve..
12. Explain the concept of depreciation. What is the need for charging depreciation and what are the causes of depreciation?
13. On July 01, 2010, Ashok Ltd. Purchased a Machine for Rs 1,08,000 and spent Rs 12,000 on its installation. At the time of purchase it was estimated that the effective commercial life of the machine will be 12 years and after 12 years its salvage value will be Rs 12,000. Prepare machine account and depreciation Account in the books of Ashok Ltd. For first three years, if depreciation is written off according to straight line method. The accounts are closed on December 31st, every year.
14. Ganga Ltd. purchased a machinery on January 01, 2014 for Rs 5,50,000 and spent Rs 50,000 on its installation. On September 01, 2014 it purchased another machine for Rs 3,70,000. On May 01, 2016 it purchased another machine for Rs 8,40,000 (including installation expenses). Depreciation

was provided on machinery @10% p.a. on original cost method annually on December 31. Prepare Machinery account and depreciation account for the years 2014, 2015, 2016 and 2017.

15. Azad Ltd. purchased furniture on October 01, 2014 for Rs 4,50,000. On March 01, 2015 it purchased another furniture for Rs 3,00,000. On July 01, 2016 it sold off the first furniture purchased in 2014 for Rs 2,25,000. Depreciation is provided at 15% p.a. on written down value method each year. Accounts are closed each year on March 31. Prepare furniture account for the years ended on March 31, 2015, March 31, 2016 and March 31, 2017

16. M/s Lokesh Fabrics purchased a Textile Machine on April 01, 2011 for Rs 1,00,000. On July 01, 2012 another machine costing Rs 2,50,000 was purchased. The machine purchased on April 01, 2011 was sold for Rs 25,000 on October 01, 2015. The company charges depreciation @15% p.a. on straight line method. Prepare machinery account and machinery disposal account for the year ended March 31, 2016.

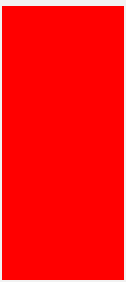
17. Carriage Transport Company purchased 5 trucks at the cost of Rs 2,00,000 each on April 01, 2011. The company writes off depreciation @ 20% p.a. on original cost and closes its books on December 31, every year. On October 01, 2013, one of the trucks is involved in an accident and is completely destroyed. Insurance company has agreed to pay Rs 70,000 in full settlement of the claim. On the same date the company purchased a second hand truck for Rs 1,00,000 and spent Rs 20,000 on its overhauling. Prepare truck account and provision for depreciation account for the three years ended on December 31, 2013

SECTION C

18. Distinguish between straight line method and written down value method of calculating depreciation.
19. Discuss in detail the straight line method and written down value method of depreciation. Distinguish between the two and also give situations where they are useful.
20. Define provisions? Illustrate how are they created? Give accounting treatment in case of provision for doubtful Debts.
21. On April 01, 2010, Bajrang Marbles purchased a Machine for Rs 2,80,000 and spent Rs 10,000 on its carriage and Rs 10,000 on its installation. It is estimated that its working life is 10 years and after 10 years its scrap value will be Rs 20,000.
- a. Prepare Machine account and Depreciation account for the first four years by providing depreciation on straight line method. Accounts are closed on March 31st every year.
- b. Prepare Machine account, Depreciation account and Provision for depreciation account (or accumulated depreciation account) for the first four years by providing depreciation using straight line method accounts are closed on March 31 every year.
22. Berlia Ltd. Purchased a second hand machine for Rs 56,000 on July 01, 2015 and spent Rs 24,000 on its repair and installation and Rs 5,000 for its carriage. On September 01, 2016, it purchased another machine for Rs 2,50,000 and spent Rs 10,000 on its installation.
- a. (a) Depreciation is provided on machinery @10% p.a on original cost method annually on December 31. Prepare machinery account and depreciation account from the year 2015 to 2018.
- b. (b) Prepare machinery account and depreciation account from the year 2015 to 20018, if depreciation is provided on machinery @10% p.a. on written down value method annually on December 31.

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