

Chapter-1 (Accounting: An Introduction).

1 Marks Year – 2021

Q1. Who is the founder of Modern Book-keeping? (a) Marshal (b) Fra Luca Pacioli (c) Northcott (d) R.N. Carter

Q2. In Accounts to recording is made of : (a) Only Financial transactions (b) Only Non-Financial transactions (c) Financial and Non-Financial transactions (d) Personal Transactions of proprietor

Q3. Accounting is a science or art? (a) Science (b) Both Science and art (c) Art (d) Personal transactions of Proprietor

2 Marks Q1. What do you mean by Accounting ? Q2. Explain the features of Account.

Q1. Define Accounting? Q2. Explain the two objectives of Accounting.

Year – 2023

Q1 Match Part A with Part –B

- (i) Business Transaction (a) All transactions are recorded in primary book
(b) Purchased machinery for cash
(c) Accounting business transaction
(d) All the above

Q2. Users of Accounting information are:

- (a) The owner of the business (b) Investors (c) Creditors (d) All of these

Q3 Explain in brief characteristics of Accounting.

Year- 2024

1 Marks

Q1. Book-keeping means (a) To keep the books in an almirah (b) To record the business transaction in the accounts books of the trading concern (c) To record the business activities by a trader in his diary (d) To write all the books.

Q2. Accounting Cycle includes (a) Recording (b) Classification (c) Summarising (d) All the above

2 Marks

Q1. What is an Account? Give its specimen.

Year- 2025

1 Marks Year-2025

Q1. The work of accounting begins

- (a) Where the work of book-keeping begins (b) Where the work of book-keeping ends (c) Where the book are not written at all (d) Where there is no objectives of keeping the books.

Q2. Capital expenditure is : (a) Salary (b) Postal expenditure (c) Building construction expenses (d) Repairing expenses

Q3. Choose the correct answer from the information.

Assertion (A) Fixed assets are shown in the balance sheet at their cost and not at their realizable value.

Reasons (R) Fixed assets are shown in the balance sheet according to Historical cost concepts.

- (a) Both A and R are correct and R is the explanation of (A).
(b) Both A and R are correct and R is not the explanation of A
(c) A is true but R is not true .
(d) A is false but R is true.

Q4. Accounting standards should be (a) simple (b) clear (c) Simple and clear (d) None of these

2 Marks

Q1 Give two advantages of accounting information

Chapter -2 (Theory base of accounting, Accounting terminologies and Accounting Standards)

1 Marks Q1. Current Liabilities include (a) Bill payable (b) Creditors (c) Outstanding (d) All the above

Q2. Tangible assets do not include (a) Goodwill (b) Furniture (c) Stock (d) Cash

Q3. Due to which concept Qualitative transactions are not recorded in the books?

- (a) Business entity (b) Money measurement concept (c) Historical Cost concept (d) None of these

Q3. Business Entity Concept meant : (a) No difference between the owner and business (b) Business is always continuous (c) There is difference between the owner and (d) All the above

2 Marks Q3. Give two objectives of Accounting Standards.

3 Marks Year -2021

Q1. Explain the following Accounting terms

(a)Capital (b) Goods (c) Creditors

Q2.Explain the following(a) Money measurement assumption ((b) Principle of consistency

Q3. Explain the features of accounting standards.

3Marks Year -2023

Q1.Explain the following:

(a) Going concern concept. (b)Principle of uniformity.

Year- 2024

1Marks

Q1.From the point of view of income Tax Accounting year is :(a) Every Year Diwali (b) Every year Dussehra (c) 1st Apr to 31st March (d) None of these

Q2.Accounting Standard are useful(a) To Investors (b) To Outsiders (c) To auditors (d) To all of the above .

3Marks

Q3.Explain with examples the meaning of the following basic term of accounting (a) Purchase (b) Sales

Q4.Explain the following (a) Money Measurement (b)Accounting period assumption

1marks Year 2025

Q1.Live stock includes (a) Plant &machinery (b) Animals (c) Stock (d) Life insurance policy

Q2.Revenue expenditure (a) preliminary expenses (b) Wages of workers (c) commission under writer (d) purchases of investments

Chapter -3 (Accounting Equation)

1 Marks Year -2021

Q1.As per principles of Dual Aspect (a) Assets=Liabilities-Capital (b) Assets= Capital – Liabilities (c) Assets =Liabilities + Capital (d) Capital = assets + liabilities

Q2.Show the accounting equation on the basis of following transactions

(i)Started business with cash Rs 20,000

(ii)Purchased goods for Rs2,000 cash

(iii)Furniture Purchased Rs 5,000

(iv)Rent paid Rs 5,00

3Marks Year -2022

Q1.Show the accounting equation on the basis of following transactions

(i)Started business with cash Rs 80,000

(ii)Purchased goods for Rs20,000 cash

(iii)Sold goods on credit Rs 12,000

(iv)salary paid Rs 5,000

(v)bought furniture Rs6,000

3Marks Year -2023

Q1.Show the accounting equation on the basis of following transactions

(i)Ram Started business with cash Rs 5,000

(ii)Purchased goods for Rs 4,000 cash

(iii)He Sold goods on credit to mohan Rs 500

(iv)He paid rent Rs 5,00

(v)Withdraw cash for Private use 500

1marks Year 2025

Q1.Live stock includes (a) Plant &machinery (b) Animals (c) Stock (d) Life insurance policy

Q2.Revenue expenditure (a) preliminary expenses (b) Wages of workers (c) commission under writer (d) purchases of investments

1marks Year 2024

Q3.Show the accounting equation on the basis of following transaction and prepare the balance sheet on the last new equation balance :

(a) Ajay started business with cash 25,000

(b) Furniture purchased Rs 2,000

(c) cash purchased Rs 5,000

(d) Purchase goods on credit Rs 5,000

(e) Cash sales Rs 2,000

3 marks Year 2025

Q1.Show the accounting equation on the basis of following transactions

- (i) Ankit Started business with cash Rs 60,000
- (ii) Goods purchased from Ram Rs 8,000 cash
- (iii) goods sold to Mahesh Rs 6,000 (costing Rs 5,000)
- (iv) paid Rent of the shop Rs 1,000
- (v) paid to creditors Rs 4,000

Chapter -4 (Elements of double Entry system)

1 marks Year 2021

Q1. What should be merit of an Ideal accounting System from the following?

- (a) Scientific and Automatic (b) according to the govt. rules (c) Simple and Economic (d) All the above

Q2. Which of the following are the features of double Entry system ?

- (a) Having two sides (b) Having one side (c) Indian system (d) none of the above

3 marks

Q1. Explain the advantages of Double entry system.

1 marks Year 2023

Q1. Sources documents of accounting are (a) cash memo (b) Invoice and bill (c) Pay-in slip (d) all the above

1 Marks Year- 2024

Q1. The main advantages of double Entry system is (a) To Save Income Tax (b) Little Possibility of Fraud (c) rare Possibility of Error (d) Unsystematic system

5 Marks

Q1. Why double Entry system is regarded as a best system of Book-keeping ? Explain

1 marks Year 2025

Q1. Principles of double entry system are (a) Two parties (b) Accounting in both accounts (c) Definite rules (d) All of the above

2 Marks

Q1. What do you mean by Credit Note?

3 Marks

Q2. Subsidiary books : (a) Purchase Return book (b) Sale Return book (c) Bills receivable book (d) All of the above.

Q1. What do you mean by double entry system ? Explain defects of double entry system.

Chapter -5 (Books of original Entry : Journal)

1 Marks Year -2021

Q1. Purchase of goods from X for cash will you credit in which Account?

- (a) Purchase a/c (b) Cash A/c (c) Account of X (d) Sale A/c

Q2. Goods given away as charity will you credit in which Account?

- (a) Sale A/c (b) Purchase A/c (c) Cash A/c (d) Cash A/c

Q3. Related to Personal accounts are:

- (a) assets (b) debtors (c) Expenses (d) Income

Q4. Related to Real accounts are (a) Creditors (b) Cash (c) Income (d) Expenses

Q5. Which of the following is not recorded in cash –book?

- (a) Trade Discount (b) Bad debts (c) Credit Purchase (d) All the above

Q6. Read the following statements: Assertion and Reason.

(A) Sold goods for cash: Cash A/c will be debited and sale A/c will be credited .

(R) Golden rules for Real a/c, Debit what comes in and Credit what goes out.

Q7. Assertion (A) Purchased Furniture from Mohan. Furniture a/c will be debited and Mohan will be credited.

Reason (R) Golden rule for Personal account Debit the receiver and Credit the giver .

- (a) Both A and R are true , and 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.

2 Marks

Q1 Give any two importance of Journal.

3 Marks Year -2021

Q1. Journalise the following transactions:

- 1 Jan, 2020 sham started business with cash Rs 10,000
- 3 Furniture Purchased for cash Rs 2,000

5	Purchased goods for cash	Rs 5,000
7	Goods sold for cash	Rs 10,000
10	Salary paid	Rs 2,000

Q2. Give any two importance of journal.

3Marks Year -2022

Journalise the following transactions:

- 1 Feb, 2020 Business start with the cash Rs 1,00,000 Machinery Rs 45,000 and furniture Rs 10,000
- 7 Feb, 2020 Goods purchased on credit Rs 30,000
- 12 Feb, 2020 Cash sales Rs 15,000
- 28 Feb, 2020 Outstanding salary Rs 6,000

Or

What is journal? Explain its objectives and importance

3Marks Year -2023

Q2. Journalise the following transactions:

- (a) Commercial business goods Rs 2,000, Cash Rs 3,000
- (b) Paid Rent Rs 200
- (c) Purchased furniture Rs 500
- (d) Paid salary to the servant Rs 600
- (e) Postage stamps purchased Rs 50

3Marks Year -2024

Q1. Journalise the following transactions :

Apr. 2022

- 01 Rahul started business with cash Rs 20,000
- 04 Paid into bank Rs 5,000
- 08 Purchase furniture Rs 3,000
- 15 Paid sundry expenses Rs 200
- 25 Withdrew for private use Rs 1,000

3Marks Year -2025

Journalise the following transactions:

- 1 June, 2015 Commenced business with cash Rs 15,000
- 02 Bought goods for cash 5,000
- 04 Purchased goods from Ram 1,500
- 05 Purchased Furniture 5,000
- 07 Purchased Machinery 1,000

Or

Explain the rules of Journalising in detail.

Chapter -6 (Accounting for Goods and services Tax)

Chapter -7 (Book of Original Entry : Cash book)

1 Marks Year -2021

Q1 Which of the following is not recorded in the cash – book?

- (a) Trade Discount (b) Bad debts (c) Credit purchase (d) all the above

Q2 Distinguish between cash A/c and Cash book.

3 Marks

Q2. Prepare double column cash book from the following transactions (Cash and Bank column)

January 2020	Particular	Amount
1	Cash balance	10,000
1	Machinery Purchased	1,500
7	Purchased goods	2,000
9	Goods sold for cash	4,000
10	Received Rent	1,000
12	Paid office Expenses	500

Or

Describe the advantages of petty Cash book.

2 Marks Year -2022

Q1.Explain the difference cash book and cash A/c .

3 Marks Year -2023

Q1.Distinguish between cash Cash A/c and Cash book.

Q2. Described the imprest system of petty cash book explain its advantages.

1 marks Year- 2024

Q1. Petty cash book maintained record of (a) All Petty Expenses (b) All Expenses(c) Outstanding expenses (d) Petty Expenses which are paid in cash .

3 marks

Q1.Write the advantages of petty cash book.

1Marks Year -2025

Q1.Opening balance of cash is written :

(a)In the credit side of cash book.

(b) In the debit side of cash book.

(c) In the debit of Purchase book .

(d) In the debit side of sales book.

3 Marks

Q1. Prepare double column cash book from the following transactions (Cash and Bank column)

January 2016	Particular	Amount
1	Bank Overdraft	12,000
1	Cash in hand	2,300
7	Cash Received from Ram	4,000
9	Cash Deposited into bank	4,000
10	Cheque issued to Radha	2,500
12	Rent paid by cheque	4,000

Chapter -8(Books of original entries :Subsidiary books)

Chapter -9 (Ledger)

2 Marks Year -2021

Q1.What is the difference between Journal and Ledger?

Q2What are the advantages of ledger?

Chapter -10 (Trial balance)

1 Marks Year -2022

Q1.Trial balance is prepared (a) Before Ledger (b) After Ledger (c) Before Journal (d) After Journal

Q2.Liabilities are shown on the :

(a) Credit side (b)Debit side (c) Neither Debit or Credit (d) Outside the trial balance

Q3. When Trial balance does not tally difference is recorded in:(a) drawing A/c (b) Capital A/c (c)

Suspense A/c (d) discount A/c

3 Marks Year -2023,2022

Q1.Explain the various methods of preparing trial balance .

Q2.Describe any two functions of Trial list.

2 Marks Year -2024

Q1.Describe the errors not disclosed by Trial balance .

2 Marks Year -2025

Q1.What is meant by trial balance ? Why it is prepared ?

Chapter -11 (Bank Reconciliation statement)

1 Marks Year -2021

Q1.Bank Reconciliation statement is: (a)Part of Cash –book (b) Part of Pass – Book (c) Statement made by bank (d) Statement made by Proprietor

Q2.which of the following Prepare the Bank Reconciliation Statement?

(a) By Bank (b) By bank customer (c) By Creditors (d) By auditor

5 Marks

Q1.Prepare bank reconciliation statement from the following particulars as on 31st july 2020.

- (i)Bank balance as per Cash –book on 31-12-2020 6,400
- (ii) Cheque issued ,but not presented for payment 3,560
- (iii)Cheque deposited but not credited Rs 1,200.
- (iv) Dividend collected by bank 200
- (v) Bank Charges Rs 100.

Or

What is Bank Reconciliation statement ? Explain the causes of difference between cash book balance and pass book balance.

5 Marks Year -2022

Q1. Prepare bank reconciliation statement from the following particulars as on 31st July 2020, when pass show a debit balance of Rs 12,500

- (i) Cheques issued but not presented for payment Rs 12,000
- (ii) Cheques issued but omitted to record in cash book Rs 11,000.
- (iii) Cheque deposited but not collected Rs 1,500.
- (iv) Interest on overdraft Rs 1,000.
- (v) Bank Charges Rs 500.

Or

Explain the causes of difference between cash book balance and pass book balance.

5 Marks Year -2023

Q2. Prepare bank reconciliation statement from the following particulars as on 31st July 2018:

- | | |
|--|-----------|
| (i) Balance as per cash book (Debit) | Rs 2,600 |
| (ii) Cheques paid in to bank but not collected | Rs 11,800 |
| (iii) Cheques issued but not presented for Payment | Rs 11,600 |
| (iv) Interest allowed by the bank on deposits | Rs 2,200 |

Or

Give any four reasons of difference in the cash book and pass book balances .

5 Marks Year -2024

Q1. Prepare bank Reconciliation statement from the following particulars as on 30th Sept ,2022

- | | |
|---|----------|
| (a) Debit balance as per cash book | Rs 2,000 |
| (b) cheque issued but not presented for payment | Rs 160 |
| (c) Cheque deposited but not credited | Rs 1,400 |
| (d) amount directly deposited by a customer | Rs 1,060 |
| (e) Bank Charges debited by bank | Rs 20 |

Or

What is bank reconciliation statement and why it is prepared?

5 Marks Year -2025

Q3. Prepare the bank reconciliation statement from the following

- | | |
|---|----------|
| (i) Balance as per cash book on 31 st March 2015 | Rs 4,000 |
| ii) Cheque issued but not presented for payment | Rs 1,000 |
| (iii) Cheque paid into bank but the same has not been collected by the bank | Rs 1,200 |
| (iv) Bank Charges charged by the bank | Rs 20 |
| (v) Interest allowed by the bank | Rs 40 |

Or

What are the causes of difference in the pass book and cash book balance ? How would you reconcile them?

Chapter -12 (Depreciation)

5 Marks Year -2021

Q1. Tata limited purchased a machinery for Rs 80,000 on 01-07-2017. Depreciation is provided @ 10% p.a. on the diminishing balance method. On 01.10.2019, one fourth of machinery was found unsuitable and disposed off for Rs 12,000. On the same date a new machinery at cost of 30,000 was purchased. Write up the machinery a/c from 2017 to 2020. The account are closed on 31st Dec every year.

Or

What is Depreciation ? Why is it provided ? Explain method of recording depreciation.

Q2. A Machinery has been purchased on January, 1, 2022 for Rs 30,000. What will be its book value after three years if depreciation is charged @ 10% p.a. by fixed instalment method? Prepare the necessary account and show it .

3 Marks

Q1. Explain the Revenue Reserve and Capital Reserves.

1 Marks Year -2022

Q1. Causes of depreciation are: (a) Wears and Tears due to constant use (b) Obsolescence (c) accidents (d) All the above

Q2.A Machine is purchased for Rs10,000. Its installation charges are Rs 1,000. Its estimated scrap value is Rs 2,000 and its estimated life period is 10 years. Its yearly depreciation according to fixed installment system will be: (a) Rs 900 (b) Rs 700 (c) Rs 1,100 (d) Rs 1,200

3 Marks

Q1.What is depreciation?

Q2.On 1st Jan,2020 goyal purchased a plant for Rs 2,00,000. Depreciation was provided for four years on it @10% p.a. on Diminishing balance method. At the end of the fourth year the plant become obsolete and it was sold for Rs 60,000 .Prepare Plant A/c .

1Marks Year -2023

Q1.Life of a machine is 10 years and its purchase price is Rs 20,000. Its installation charges Rs 4,000. Its Scrap value is Rs 6,000 . Its yearly depreciation according to fixed instalment method:

(a) Rs 2,000 (b) Rs 1,000 (c) Rs 1,800 (d) Rs 2,400

5 Marks Year -2024

Q1.On 1st Jan,2020 Aman purchased a fixed assets for Rs 40,000. It was decided to provide depreciation on this assets at the rate of 10% p.a. on diminishing balance method. Prepare fixed Assets Account for first three years . Accounts are closed on 31st Dec.

3 Marks

Q1.A Machinery has been purchased on January 1,2022 for Rs 30,000. What will be its book value after three years if depreciation is charged @ 10% p.a. by fixed instalment method? Prepare the necessary account and show it.

1 Marks Year- 2024

Q1 A machine is purchased for Rs 10,000.its installation charges Rs 1,000. Its estimated life period is 10 years. depreciation for whole life period is 10 years. Depreciation for whole life period of machine will be (a) Rs 9,000 (b) Rs 7,000 (c) Rs 11,000 (d) Rs 12,000

1 Marks Year -2025

Q1.The Depreciation is calculated-

(a) On current assets (b) On fixed assets (c) On fictitious assets (d)All of these

Chapter -13 (Reserves and Provisions)

1 Marks Year - 2021 ,2022

Q1.Reserve is Shown in :

(a) Profit and loss A /c (b) Trading a/c (c) The Liabilities side of Balance sheet (d) The assets of balance sheet

Q2. Provisions are made for :

(a) Depreciation on Assets (b) Taxes (c) Bad and Doubtful debts (d) All the above

3 Marks

Q1. What is the difference between Reserve and Provisions?

1 Marks Year - 2023

Q1.Creation of Reserve (a) Necessary (b) Illegal (c) Not Necessary (d) Improper

Q1. Reserve is shown (a) In profit and loss A/c (b) In Trading a/c (c) In the liability side of balance sheet (d) In the asset side of balance sheet

2 marks Year- 2024

Q1. Write any two difference between reserve and Provision

1 Marks Year -2025

Reserve is shown-(a) In profit and loss A/c (b) In Trading A/c (c) In the liabilities side of balance sheet (d) In the assets side of the balance sheet

Chapter -14 (Errors and their Rectification)

1 Marks Year - 2021

Q1.Wages paid for the construction of building debited to wages is an error of :

(a) Error of principles (b) Error of omission (c) Error of commission (d) Mathematical error

3 Marks

Q1.Rectify the following errors :

(a) Goods purchased from Ram Lal Rs 1,000 were entered in sales book.

(b) Rs 200 received from Ramesh have been wrongly entered as from suresh .

(c) Salary Paid to clerk to Rs 150 has been debited to wages Account .

(d) Sale of old furniture for Rs 100 was entered in the sales book .

Year -2022

Q1.Rectify the following errors :

(a)2,000 were entered as 200 in Bill receivable book.

(b)Goods returns by vitul Rs 1,500 have been entered in the returns outwards book.

(c) Goods of Rs 300 sold to Mohan , But it was recorded in purchase book.

Year -2023

Q1.Rent paid to landlord is debited to : (a) Landlord A/c (b) Rent A/c (c) Cash A/c (d) House A/c

Q2. Received Rs 800 from Ram. This has been credited to Ramesh instead of Ram. This error is :

(a) A compensating errors (b) an error of commission (c) an error of omission (d) an error of Doctrinal

3 Marks

Q1.Rectify the following errors :

(a)Goods sold to Babu Ram for Rs 1,350 were entered in the sale book as Rs 1,530.

(b) The Purchase book was under cost by Rs 100

(c)Salary paid to a clerk Rs 65 recorded in his Personal A/c

1 marks Year- 2024

Q1.The preparation of trial balance help to detect

(a)Error of omission (b) Error of commission (c) Errors of principles (d) Compensating Error

Q2.Rectify the following errors:

(a) Goods worth Rs 5,000 purchase from rajesh on credit but recorded in the purchases book as Rs 500.

(b) A credit purchase of Rs 2,000 from Rajeev, not recorded in books.

(c) The Purchase book was undercast by Rs 100.

Part –B Financial Accounting

1 Marks Year -2022

Q1.users of financial statements are (a) Owners and Management of business (b) Investors (c) employees (d) All the above

Q2. The items of trading Account are:

(a) Opening stock (b) Purchase of goods (c) Sale of goods (d) all the above

Q3.The debit items of profit and loss Account are:

(a) gross profit (b) Interest received (c) Gross loss and other Indirect expense(d) All the above

Q4.The balance of trading A/c is transferred(a) In Balance sheet (b) In Cash A/c (c) In Sale /c (d) In Profit & Loss A/c

2 Marks

Q1.What is a balance sheet ?

Q2.What are the difference between profit and loss A/c and balnce sheet ?

4 Marks

Q1.Prepare Trading A/c ,Profit and Loss a/c and Balance sheet for the year ended Dec,2020 from the following Trial balance :

Dr. balance	Amount	Credit balance	Amount
Cash	2,750	Capital	17,150
Drawing	200	Bills Payable	500
Sale return	250	Commission	350
Purchase	20,000	Creditors	5,000
Opening Stock	4,250	Purchase Return	150
Building	4,500	Sales	20,000
Plant	4,000		
Debtors	5,000		
Wages	950		
Rent	750		
Salaries	500		
Total	43,150	Total	43,150

Adjustments:

(a) Closing Stocks Rs 10,000

(b) Depreciate plant by 10 %

Q1. What is the meaning of financial statements ?

4 Marks

Q1. What are the objectives of final accounts ?

Q2. Explain the methods of presenting final Accounts .

Q3.How are the following adjustments treated in final accounts?

(i) Outstanding expenses (ii) accrued income (iii) Interest on drawings (iv) Interest on Capital

Q1.Prepare Trading A/c ,Profit and Loss a/c and Balance sheet for the year ended Dec,2020 from the following Trial balance :

Dr. balance	Amount	Credit balance	Amount
Land & Building	15,000	Bills payable	1,200
Opening stock	6,000	Capital	21,000
Bills receivable	2,000	Sales	25,000
Purchases	12,000	Discount	150
Wages	2,500	Creditors	2,000
Salaries	470		
Rent & Taxes	300		
Mis. Exp.	400		
Carriage	800		
Furniture	400		
Cash in Hand	130		
Discount	5,600		
Debtors	650		
Coal & gas	3,000		
	100		
Total	49,350	Total	49,350

Adjustments:

(a) Closing Stocks Rs 40,000

1 Marks Year -2023

Q1.Preparation of balance sheet is (a) Compulsory (b) Discretionary (c) Useless (d) None of these

Q2. Users of Financial Statement are⊗(a) Owner and management of the business (b) Investors (c) Employee (d) all the above

Q3.Balance sheet is a part of (a) Trading A/c (b) Profit and loss A/ c (c) Directors reports (d) Part of final A/c

2 Marks

Q1.What is profit & Loss a/c ?

3 Marks

Q1. How is stock valued for the purpose of final A/c ?

Q2. Discuss the need of preparing a balance sheet.

Q3..Explain the following terms :

(a) Prepaid Expenses (b) Accrued Income

Q1.Prepare Trading A/c ,Profit and Loss a/c and Balance sheet for the year ended Dec,2019 from the following Trial balance :

Dr. balance	Amount	Credit balance	Amount
Purchases	1,30,000	Sales	2,54,000
Opening stock	60,000	Capital	1,80,000
Sales return	2,000	Sundry Creditors	70,000
Discount Allowed	500	Purchase returns	2,550
Bank charges	350	Discount Received	700
Plant & Machinery	1,50,000	Rent Received	900
Sundry debtors	1,00,000		
Salaries	13,000		
Carriage on sale	2,500		
Carriage on purchase	3,000		
Wages	19,000		
Rent ,Rates & Tax	3,000		

Advertisement	5,000		
Cash at bank	10,000		
Cash in hand	3,800		
Total	5,08,150	Total	

Adjustments:

(a) Closing Stocks Rs 40,000

1 Marks Year -2024

Q1.Trading Account shows: (a)Gross Profit (b) Net Profit (c) Financial position(d) All the above

Q2. Balance sheet shows: (a)Gross profit of the business (b) Net profit of the business (c) Financial position of the business (d) All the above

Q3.Profit and loss a/c shows : (a) Net Profit or Net loss in business (b) Financial position of the business (c) Investment of the business (d) All the above

2 Marks

Q1.What are Financial statements?

Q2.Give three difference between capital expenditure and Revenue Expenditure

3 Marks

Q3. What is balance sheet ? What is the objective of its preparation ?

Q4.How are the following adjustments treated in Final accounts? (a) Interest on capital (b) Interest on drawing.

4 Marks

Q1.Prepare Trading A/c ,Profit and Loss a/c and Balance sheet for the year ended Dec,2019 from the following Trial balance :

Dr. balance	Amount	Credit balance	Amount
Purchases	9,500	Sales	10,000
Machinery	2,500	Capital	10,000
Salary	1,000	Creditors	1,000
Debtors	2,700	Interest	400
Drawing	900	Commission	1,500
Wages	5,000	Loan Taken	3,000
Bank Balance	1,500		
Opening stock			
Rent			
Carriage			
Total	25,900		25,900

Adjustments:

(a) Closing Stocks Rs 13,800

(b)Wages outstanding Rs 500

1 Marks Year -2025

Q1.Trading account shows – (a) Gross profit and loss (b) Net profit and loss (c) Financial position (d)all of the above

Q2.Read the following statements: Assertion and Reason.

Assertion (A)The income statement and balance sheet are financial statements that shows the cash flows in and out flows of business unit .

Reason (R)The general purpose of financial statements Is to show the financial position and performance of business unit.

(a) Both A and R are true , and 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.

Q3.Trading account Is – (a) A Part of balance sheet (b) A Part of Auditor's Report (c) A Part of Profit and Loss (d) All of the above

2 Marks Year -2025

Q1.What do you understand by final accounts ?

Q2.Differentiate between profit and loss account and balance sheet.

Q3. Explain the following adjustments –(a) Prepaid expenses (b) Depreciation

Q1. Prepare Trading A/c, Profit and Loss a/c and Balance sheet for the year ended Dec, 2019 from the following Trial balance :

Dr. balance	Amount	Credit balance	Amount
Opening stock	40,000	Purchase returns	12,000
Sale	5,00,000	Carriage on purchase	8,000
Freight	6,500	Carriage on sale	10,000
Purchases	2,00,000	Sales return	20,000
Factory Lighting	10,800	Factory rent	7,500
Wages	30,000	Office rent	12,000
Coal, gas and water	2,200	Factory godown rent	32,000

Adjustments:

(a) Closing Stocks Rs 60,000

4 Marks

Particulars	Debit	Credit
Sundry Debtors	32,000	
Stock 01-01-2013	22,000	
Cash in hand	35	
Cash at bank	1,545	
Plant and Machinery	17,500	
Sundry creditors		10,650
Trade expenses	1,075	
Sale		1,34,000
Salary	2,225	
Carriage outward	400	
Rent	900	
Bill Payable		7,500
Purchase	1,18,370	
Discount	1,100	
Building	34,500	
Capital		79,500

Adjustments :

(i) Closing stock as on 31st Dec, 2013 Rs 12,450

(ii) Outstanding Rent Rs 85

(iii) Outstanding Trade Expenses Rs 150

5 Marks

Q1. Prepare Trading A/c, Profit and Loss a/c and Balance sheet for the year ended Dec, 2014 from the following Trial balance :

Dr. balance	Amount	Credit balance	Amount
Cash	4,000	Capital	20,150
Bank	1,750	Commission	350
Drawings	200	Creditors	2,000
Sales Return	250	Purchase Return	150
Purchase	10,000	Sales	10,000
Opening stock	4,250	Bills payable	500
Building	4,500		
Plant & Machinery	4,000		
Debtors	2,000		
Discount	100		
Carriage	150		
Wages	800		
Office Expenses	200		
Rent	250		
Salaries	700		

Adjustments:

- (a) Closing Stocks Rs 20,000
- (b) Depreciate building by 10%p.a.