

Anekant Education Society's  
**TuljaramChaturchand College of Arts, Science & Commerce, Baramati**  
**Department of BBA(C.A)**  
**FYBBA (C.A) (Semester - I)**  
**Question Bank**  
**BUSINESS ACCOUNTING [1103]**

**Q 1 A). Fill in the blanks.**

- 1) Principles of Personal Account are\_\_\_\_\_.
- 2) In every business transaction at least \_\_\_\_\_ Parties are involved.
- 3) The amount of money invested in business by a businessman is called \_\_\_\_\_.
- 4) \_\_\_\_\_is an art of recording and classifying business transaction.
- 5) Two types of transactions are \_\_\_\_\_ and \_\_\_\_\_
- 6) \_\_\_\_\_issues Accounting Standards in India.
- 7) Cost Concepts is closely related to \_\_\_\_\_ concept.
- 8) \_\_\_\_\_accounts have their existence even after the close of accounting year.
- 9) The business entity concept implies that a business unit is \_\_\_\_\_ from the person to supply capital to it.
- 10) Only \_\_\_\_\_ transactions are recorded in the Cash Book.
- 11) A trial balance is prepared by using the information from\_\_\_\_\_.
- 12) Purchase Book is used to record all \_\_\_\_\_.
- 13) A statement of assets and liabilities prepared at the end of the accounting period is called\_\_\_\_\_.
- 14) Balance sheet is prepared to know the \_\_\_\_\_of a business entity.
- 15) GST stand for \_\_\_\_\_
- 16) Under GST, Smartphone will be taxed at \_\_\_\_\_percent.
- 17) The concept of Goods and Services Tax (GST) is originated in\_\_\_\_\_
- 18) Tally package is developed by\_\_\_\_\_.
- 19) \_\_\_\_\_ is used in tally to close opened company.
- 20) \_\_\_\_\_and \_\_\_\_\_ Account is created by Tally automatically.

**B] Classify the following account into personal, Real and Nominal**

- 1) Government of India A/c
- 2) Sujal's Capital A/c
- 3) Rent A/c
- 4) Goods A/c
- 5) Discount Earned A/c
- 6) Travelling expenses A/c
- 7) Dena Bank A/c
- 8) Machinery A/c
- 9) Commission Received A/c
- 10) Capital A/c
- 11) Bad Debts A/c
- 12) Patent A/c
- 13) Goodwill A/c
- 14) Sales A/c
- 15) Drawings A/c

**C).State whether the following statements are true or false.**

- 1) Book-keeping and accounting are two different terms.
- 2) Goodwill is a tangible asset.
- 3) External users of the accounting information include banks, shareholders, creditors, suppliers.
- 4) Nominal Account is the accounts of assets.
- 5) The entire accounting standard's is Mandatory.
- 6) Bookkeeping is the clerical part of the accounting process.
- 7) Accounting Standard I deal with valuations of inventory.
- 8) Profit is determined by subtracting sales from the total expenses of the business.
- 9) Narration is written just below the journal entry.
- 10) Posting is done in the Journal Entry.
- 11) Good ethics is good business.
- 12) In general the financial year started from 31 March.
- 13) Indian GST model has four rate structures.
- 14) Ethics and ethical behavior are important. Ethics are beliefs that separate right from wrong.
- 15) Assam state becomes the first state of India to ratify GST Bill.
- 16) Finance Minister is the chairman of GST council.
- 17) The shortcut key to quit from Tally is Ctrl + Q.
- 18) Personal A/c is related with Expenses & Incomes.
- 19)  $\text{Capital} = \text{Liabilities} - \text{Assets}$ .
- 20) Business accounting provides information to the organization's decision makers.

**Q 2.Answer in one sentence:**

- 1) Capital
- 2) Drawing
- 3) Purchase Return
- 4) Convention
- 5) Purchase Book
- 6) Sales Book
- 7) Purchase Return Book
- 8) Sales Return Book
- 9) Bills Receivable Book
- 10) Bills Payable Book
- 11) Balance Sheet

### Q 3. Write Short Notes on:

- 1) Terminology of Accountancy.
- 2) Scope of Financial Accounting.
- 3) Branches of Accounting.
- 4) Difference between Book-Keeping & Accounting.
- 5) Accounting Standards
- 6) Conventions of Accounting
- 7) Objectives of Accounting Standards
- 8) Dual Aspect Concept.
- 9) Trial Balance.
- 10) Contra Entry.
- 11) Accounting Process
- 12) Company Final Accounts.
- 13) Advantages of GST.
- 14) Features of GST.
- 15) Limitations of Computerized Accounting
- 16) Tally 9.0

### Q 4. Give answers of following in Short.

- 1) Define the term Financial Accounting.
- 2) What is 'Real Account'? State it's Principle of Recording.
- 3) Define the terms 'Capital' and 'Drawing'.
- 4) What are the benefits of Accounting Standards in India?
- 5) What is Journal?
- 6) What do you mean by Contra Entry? When it is passed?
- 7) Explain Objectives of GST?
- 8) What are the disadvantages of GST?
- 9) Explain what is tally and where it can be used?
- 10) What are the benefits of tally?

#### 11) Journalize the following transaction in the Books of Mr. Ajay for March 2018:

Date	Entries
1	Started Business with Cash Rs.40000, Machinery Rs,50000 and Furniture Rs.25000.
2	Sold Goods for cash Rs.7500
3	Cash Rs.5000 deposited into Bank.
5	Sold Goods to Mr. B Rs.30000
6	Received Commission Rs.3000
7	Paid salary Rs.2000

#### 12) Journalize the following transaction in the Books of Mahesh of Pune Nov. 2008:

Date	Entries
1	Started Business with Cash Rs.80, 000.
4	Purchased goods on credit from sham.Rs.10000.
5	Paid wages to workers Rs.25000
12	Received cash from Amar Rs.32000
15	Sold Goods for cash Rs.30000
22	Purchased goods for cash Rs.10000
30	Paid Rent Rs.5000

**13) Prepare general journal entries for the following transactions of a business called Pose for Pics in 2016:**

<b>Date</b>	<b>Particular</b>
Aug. 1	Hashim Khan, the owner, invested Rs. 57,500 cash and Rs. 32,500 of photography equipment in the business.
04	Paid Rs. 3,000 cash for an insurance policy covering the next 24 months.
07	Services are performed and clients are billed for Rs. 10,000
13	Purchased office supplies for Rs. 1,400. Cash paid Rs. 400 and remaining outstanding.
20	Received Rs. 2,000 cash in photography fees earned previously
24	The client immediately pays Rs. 15,000 for services to be performed at a later date.
29	The business acquires photography equipment. The purchase price is Rs. 100,000, pays Rs. 25,000 cash and signs a note for the balance.

**14) Journalize the following transaction:**

<b>Date</b>	<b>Transaction</b>
Jan 2	An amount of Rs.36, 000 was paid as advance rent for three months.
Jan 14	Paid wages to its employees for the first two weeks of January, aggregating Rs.19, 100.
Jan 23	Received Rs.15,300 from customers for the services
Jan 25	Received Rs.4, 000 as an advance payment from customers.
Jan 26	Purchased office supplies costing Rs.5, 200 on account.
Jan 28	Paid wages to its employees for the third and fourth week of January: Rs.19, 100.
Jan 31	Paid Rs.5, 000 as dividends.
Jan 31	Received an electricity bill of Rs.2, 470.
Jan 31	Received a telephone bill of Rs.1, 494.

**15) Journalize the following transaction:**

On April 01, 2016 Anees started business with Rs. 100,000 and other transactions for the month are:

02. Purchase Furniture for Cash Rs. 7,000.
08. 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

**16) Journalize the following transaction:**

1. Charged depreciation on furniture Rs. 300.
3. Commodities given as charity Rs.500.
6. Commodities distributed as samples Rs. 50.
7. Commodities withdrawn by the proprietor for his personal use Rs. 150.
8. Loss of commodities by fire Rs.250.
9. Loss of cash by the theft Rs.600.
10. Received advance from Ramesh for supply of commodities Rs.1000.
11. Advance given to a supplier for the supply of commodities Rs. 2000.

**17) Write the following transactions in the simple cash book.**

2002

Aug- 11 Purchased goods for cash Rs. 10000

13 Cash in hand Rs. 6000

15 Paid to Ravi Rs. 4000

17 Received from Dhanush Rs. 8000

19 Paid for stationary Rs. 5000

21 cash sales Rs. 7000

23 Purchased office machinery Rs. 7000

27 Wages paidRs. 9000

**18) Enter the following transaction in a single column cash book of Mr. A:**

Date	Particulars	Rs.
2013 Jan1	Started Business with Cash	1000
4	Purchased goods for cash	500
6	Paid Mr. Z	150
8	Bought Machinery	300
15	Cash received from Riya	500
20	Received Commission	85
25	Paid Telephone Charges	225
30	Sold goods	1500

**19) Enter the following transaction in a cash book:**

Date	Particulars	Rs.
2013 Jan1	Cash in hand	10000
4	Sold goods for cash	8000
6	Paid to land lord.	2000
19	Commission Received	2000
26	Cash sales	10000
20	Commission paid	500
25	Paid Travelling Expenses	1000
30	Goods Sold for cash	13000

**20) Record the following transaction of M/S.Rashmi Traders in single cash book.**

Date	Particulars
2012 July 1	Cash balance Rs.60000.
July 5	Cash Received Rs.24000
July 9	Fire insurance premium paid Rs.12000
July 14	Purchase furniture Rs.27000
July 17	Sold Goods for Cash Rs.56000
July 18	Purchased goods from mohan in cash Rs.34800
July 21	Purchase stationary Rs.2200
July 23	Cash paid to Rupa on account Rs.25000
July 25	Sold goods to komal for cash Rs.36400
July 28	Paid monthly rent Rs.5000
July 30	Paid salary Rs.7000
July 30	Deposited in Bank Rs.16000

**21) Enter the following transaction in a Two Columns cash book:**

<b>Date</b>	<b>Particulars</b>	<b>Rs.</b>
2010 April 1	Cash in hand	4450
3	Purchased goods for cash from Ram	2150
6	Paid Rent	4000
8	Paid for wages	2050
11	Received cash from Ram and Allowed him discount	1950 50
18	Cash Sales	7000
25	Cash paid to Ajay Discount allowed by him	2350 30
30	Paid salary	1500

**22) Enter the following transaction in a Two Columns cash book:**

<b>Date</b>	<b>Particulars</b>	<b>Rs.</b>
2008 May 1	Cash in hand	5000
8	Cash Purchased	3000
12	Wages paid	50
13	Cash Sales	7000
21	Cash Received from Suresh and Allowed him discount	1980 30
18	Cash paid to meena and Discount received	2500 70
24	Cash paid to Rupali	600
30	Purchased goods for cash	2000

**23) Record the following transactions in a two-column cash book (cash and discount column).**

- 2008 Aug 1 Started business concern with Rs. 10000 in cash.  
 Aug 4 Opened a current account with "bank of India" and deposited therein Rs.6000.  
 Aug 6 Cheque received for Rs. 5000 and sold goods.  
 Aug 7 Cheque issued for Rs. 500 for purchased furniture.  
 Aug 8 Goods purchased for Rs. 3000 and paid by cheque.  
 Aug 8 Cheque received for Rs. 490 in settlement of Rs. 500 an account from Ramesh.  
 Aug 9 Goods purchased for Rs. 500 and gave a cheque for the same.  
 Aug 10 Money paid into "Bank of India" Rs. 5000.  
 Aug 11 Paid Bharath Rs. 225 in settlement of his account for Rs. 240 by cheque.  
 Aug 15 Wages paid in cash Rs. 200.  
 Aug 18 Cheque drew for personal use Rs. 400.  
 Aug 25 Money drew for office use Rs. 250.  
 Aug 26 Salaries paid by cheque Rs. 500.  
 Aug 27 Electric charges paid in cash Rs. 15.  
 Aug 28 Paid in excess of Rs. 500 to "Bank of India".

## Q 5. Give answers of following in Long.

Explain various concepts of Accounting.

- 1) What is financial Accounting? What are the advantages and limitations of Financial Accounting?
- 2) What is Book-keeping? State the difference between Book-keeping and Accounting.
- 3) Explain various types of subsidiary books.
- 4) Explain types of GST.
- 5) What are the types of cash book? Explain in details?
- 6) Generating Accounting Report
- 7) **From the following balances extracted from the books of Krishna as on 31st December 2007. Prepare a trial balance.**

Particular	Amount
Krishna's Capital	7000
Purchases	8000
Rent paid	240
Krishna's drawings	400
Bills Receivable	12000
Opening stock	1000
Purchases Return	280
Sales Return	160
Machinery and plant	4000
Sales	9600
Sundry debtors	5600
Furniture	500
Salaries	720
Sundry creditor	5600
Carriage	100
Insurance	40
Cash in Hand	100
Cash at bank	1950
Commission Paid	40
Bills Payable	1580
Discount Received	30
Discount Allowed	40

- 8) **Prepare Trial Balance as on 31.03.2012 from the following balances of Ms. Maliha Afzal:**

Particular	Amount	Particular	Amount	Particular	Amount
Drawings	74,800	Purchases	295,700	Stock (1.04.2011)	30,000
Bills receivable	52,500	Capital	250,000	Furniture	33,000
Discount allowed	950	Sales	335,350	Rent	72,500
Freight	3,500	Printing charges	1,500	Sundry creditors	75,000
Insurance	2,700	Sundry expenses	21,000	Discount received	1,000
Bank loan	120,000	Stock (31.03.2012)	17,000	Income tax	9,500
Machinery	215,400	Bills payable	31,700		

9) Prepare the Trial Balance form the following.

Particulars	Rs.
Cash in Hand	4200
Cash at Bank	16800
Bills Receivable	18000
Bills Payable	1600
Sundry Debtors	24600
Sundry Creditors	32400
Capital	50000
Drawings	18000
Sales	105000
Purchases	75000
Carriage Inward	2700
Salaries	12000
Advertisement	2400
Insurance	1600
Furniture	7500
Stock	18600
Office Rent	2000

10) Write out the following transactions in the Triple column cash book of Sitaram:  
**2013**

Jan. 1 Sitaram commences his business with cash Rs. 30000

Jan 2 He pays into bank current account Rs. 20000

Jan. 3 He receive cheque from kulwant rai on account Rs. 1000

Jan. 7 He pays kulwant rai's cheque into bank Rs. 1000

Jan. 10 He pays Radha Sharan by ChequeRs. 1980  
and receive discount Rs. 20

Jan. 11 He receive cheque from WasimRs. 970  
and allow him discountRs. 30

Jan. 15 He makes sales for cash Rs. 2000

Jan. 17 Cash deposited into bank Rs. 3000

Jan. 19 He purchased a motor car by chequeRs. 6500

Jan. 20 He purchased goods by chequeRs. 1500

Jan. 22 He pays jajoo traders in cash RS. 2000  
and receives discount Rs. 100

Jan. 29 He withdraws from bank for office use Rs. 500

Jan. 30 He purchases furniture by chequeRs. 1200

Jan. 30 Cheque received from sham endorsed to Ram Rs. 5000



11) Enter the following transactions of the Premier Trading Company in Cash Book with three columns- Discount, Cash and Bank and balance the accounts as on 31st December 2004:

Date	Particular
Dec. 1	Cash in hand Rs 4,000
1	Bank Rs 1,000
3	Received a cheque from A Rs 290 and allowed him discount of Rs 40
7	A's cheque deposited into the bank
10	Withdrew from bank for office use Rs 800
12	Paid B/P by chequeRs 600
15	B/R from Ram. Rs 2,500: Discounted it, crediting with bank Rs 2,400
20	Issued a cheque for Petty Cashier Rs 100
25	Paid to Gupta by chequeRs 920; discount received Rs 30
28	Made cash-sales Rs 900.

12) From the following transactions write up a three column cash book for Zakir Khan & Co.

2016 June

Date	Particular
1	Cash in hand Rs. 2,000 and Bank Overdraft Rs. 1,500.
7	Received cash from Riaz& Co. Rs. 190; discount allowed Rs.10.
12	Sales by check Rs. 1,000.
15	Deposited cash Rs. 1,200 to bank account.
20	Paid to WaqasShahzadRs. 485; discount received Rs. 15.
25	Received check from Salman of Rs. 500 and deposited.
27	Paid to Hassan by bank Rs. 300.
28	Mr. Salman check of dated 25th has been dishonored due to technical reasons.

13) Prepare the Trading, P&L from the following ledger balances. Ledger Balances of Veneeth Pvt. Ltd.” as on 31st March 2017

Particulars	Amount
Cash a/c	9,00,000
Capital a/c	11,00,000
Bank a/c (dr)	1,80,000
Computer a/c	80,000
Purchases a/c	1,30,000
Ragini a/c (cr)	87,000
Sales a/c	2,60,000
Shankar a/c (dr)	1,20,000
Wages a/c	19,000
Rent Paid a/c	18,000
Total	28,94,000

14) Prepare the Trial Balance, Trading and P& L a/c from the following ledger balances.

Ledger Balances of Agarwal Manufacturing Pvt. Ltd.” as on 31st March 2017

Particulars	Amount
Cash a/c	66,000
Capital a/c	6,66,000
Bank a/c (dr)	5,88,000
Furniture a/c	14,400
Purchases a/c	1,50,000
Chandanpvt ltd a/c (cr)	25,800
Sales a/c	2,15,100
Shankar a/c (dr)	72,000
Wages a/c	11,400
Rent Paid a/c	10,800
Salaries a/c	6,000
SBI loan a/c(cr)	17,400
Rent (factory) a/c	5,700

15) From the following balances extracted from the books of X & Co., prepare a trading and profit and loss account and balance sheet on 31st December, 1991.

Particulars	Amount	Particulars	Amount
Stock on 1st January	11,000	Returns outwards	500
Bills receivables	4,500	Trade expenses	200
Purchases	39,000	Office fixtures	1,000
Wages	2,800	Cash in hand	500
Insurance	700	Cash at bank	4,750
Sundry debtors	30,000	Tent and taxes	1,100
Carriage inwards	800	Carriage outwards	1,450
Commission (Dr.)	800	Sales	60,000
Interest on capital	700	Bills payable	3,000
Stationary	450	Creditors	19,650
Carriage inwards	800	Carriage outwards	1,450

The stock on 21st December, 1991 was valued at Rs.25000