

**Anekant Education Society's  
Tuljaram Chaturchand College of Arts, Science and Commerce, Baramati, Dist. Pune  
(Autonomous)**

**Faculty: Commerce**

**D.T.L. CBCS**

**SUBJECT: Business Accounting Practices**

**Code:-PGDTL-105**

**QUESTION BANK**

**Q.1 Objective Type Questions**

1. Members who form and manage the partnership are individually called .....
2. The name under which partnership business is carried on is called.....name.
3. Maximum .....persons in case of banking business are required to carry on partnership business.
4. Liability of every partner is .....
5. Partnership agreement in the written form is called .....
6. Journal is ..... book.
7. ledger is ..... book.
8. ....is language of business.
9. In absence of a partnership agreement profit or loss of the firm are shared ..... by the partners.
10. Not for profit organization renders ..... services to public at large.
11. Not for profit organization never engaged in ..... activities.
12. Not for profit organization is also called ..... Organization.
13. Income and Expenditure account resembles the .....Account of a trading concern.
14. In Receipt and Payment Account the summary of .....transactions is recorded.
15. .... Is a statement in which balances of various ledger accounts are recorded.
16. Single entry system is ..... Records.
17. The difference between the capital at the end of year and capital at the beginning of year is called..... .
18. The difference between assets and liabilities is called .....
19. Money value or the reputation of business is known as .....

20. A commodity in which a trader deals is known as .....
21. Totalling of Journal and ledger is called as .....
22. Concept which provides a line between present & future is known as .....
23. The immediate recognition of loss is supported by principle of .....
24. Loan account is ..... account.
25. .... and ..... taken by the proprietor for his personal use should be debited to Drawings account.

**Q.2 Answer in one sentence**

1. Define the Account .
2. What is meant by partnership ?
3. Which discount is not recorded in the books of account ?
4. What is entity concept ?
5. What is capital ?
6. Write the type of personal accounts.
7. State the meaning of a voucher.
8. What do you mean by a bank pass book ?
9. Write the meaning of a Debit note.
10. What do you mean by Cash memo ?
11. In which order the transaction are recorded in the books of accounts ?
12. What is Narration ?
13. What is cash book ?
14. when the paying slip used ?
15. What is contra entry ?
16. What do you mean by Ledger ?
17. What is Bank Reconciliation Statement ?
18. What is Bank overdraft ?
19. why is B.R.S. prepared ?

20. What do you mean by Trial Balance ?
21. why trial balance prepare ?
- 22.state the meaning of an error.
- 23.State the meaning of Suspense account.
24. What is errors of omission ?
25. Write the formula of Depreciation.

### **Q.3 Short notes**

1. Book-keeping
- 2.Objectives of Book-keeping
3. Explain the following concepts :-
  - a) Capital expenditure b) Drawings c) transaction d) Assets
- 4.Contingent liability
5. Double Entry System
- 6.Cash Book
7. Bank Reconciliation Statement
- 8.Types of Errors
- 9.Partnership
10. Not for profit organisation
11. Methods of recording accounting
- 12.Classification of Accounts
13. Journal
14. ledger
15. Types of Voucher
16. Tally Accounting Softwere
17. types of Cash book
- 18.Trial Balance
- 19.Final Accounts
- 20.Single Entry System
- 21.Admission of partner
- 22.Death of Partner
- 23Receipt and Payment Accounts
24. Income and Expenditure Accounts
25. Explain the following concepts :-
  - a) Capital Income b) Capital c) Barter System d) Laibility

### **Q.3 Solve the following questions**

**A)journalise the following transactions in books of Ramkumar(April 2019)**

1<sup>st</sup> Started business with cash of Rs.75000, Goods Rs.40000 and Furniture Rs.15000.

3<sup>rd</sup> April Open account in Dena Bank with Rs.5000.

5<sup>th</sup> April Purchased goods from Dhiraj of Rs.20000 on credit.

7<sup>th</sup> April Sold goods to Yogesh of Rs.5000 on credit.

9<sup>th</sup> April Paid to Dhiraj of Rs 10000.

10<sup>th</sup> April Received Rs.4000 from Yogesh.

15<sup>th</sup> April Purchase Machine of Rs.15000 From Sudhir Brothers.

22<sup>nd</sup> April Goods worth Rs.1100 burnt by fire.

25<sup>th</sup> April Drawn from bank Rs.4000 for personal use.

28<sup>th</sup> April Paid house rent Rs.2000.

29<sup>th</sup> April Paid salary of Rs.1500.

30<sup>th</sup> April Paid postage and telegrams of Rs.750.

**B) Journalise the following transactions in the books of Rajkumar (May 2019)**

2<sup>nd</sup> May Open a bank account in Axis bank with Rs.35000.

4<sup>th</sup> May Cheque received from Nikhil Rs. 5000.

10<sup>th</sup> May Cheque deposited into bank of Rs.15000.

15<sup>th</sup> May the cheque deposited on 4<sup>th</sup> May dishonoured.

20<sup>th</sup> May Cheque received from Sumner Rs.11000 and the same is endorsed to Sawan.

22<sup>nd</sup> May Bank charges charge by bank Rs.150.

25<sup>th</sup> May Internate bill paid by cheque of rs.500.

28<sup>th</sup> May Salary outstanding of Rs.6000.

**C) Bank Reconciliation Statement**

The Bank column of a Cash Book showed a debit balance of Rs.49000 on 31<sup>st</sup> October 2018. While comparing the Cash Book with the Pass Book balance following differences were noticed.

- I) Cheques of Rs. 9000 and Rs. 15000 were deposited but not collected and credited by Bank till 31<sup>st</sup> October, 2018.
- II) Our Debtors directly deposited of Rs. 8,000 into the Bank A/c not recorded in the cash book.

- III) Bank credited interest on investment Rs.500
- IV) Cheque of Rs. 10,000 issued but not presented for payment to the Bank.
- V) Bank paid Insurance premium of Rs.6,000 but not entered in the cash book.
- VI) Bank debited Bank charges Rs. 100.

**D) Rectify the following errors.**

1. Goods worth Rs. 500 distributed as free sample not recorded in the books.
2. Purchase goods from Mr.AyanRs. 3500 are not recorded at all.
3. Bank overdraft account should be credited with Rs. 5000.
4. Goods purchase from Mr.SunitRs. 5,500 was posted to Mr.Sumit's account.
5. Purchase of Equity shares from D.C.R.C.Ltd. for Rs. 7,500 were not recorded.
6. Goods Purchase from Kayara Store Rs. 8,900 was recorded in sales books.
7. Paid wages for installation of Machinery Rs.7800 wrongly debited to wages accounts.
8. Salary of Rs.6800 paid to our employee Mr.Saket was debited to his personal account.
9. Purchase return account should be credited with Rs.900.
10. Factory lighting bill Rs.3000 paid but recorded twice in the books.

**E) From the following Ledger balances Prepare Trail Balance of Mr.Shailesh as on 31<sup>st</sup>March ,2019.**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Capital	50,000	Wages	2,800	Rent&Rates	2,300
Plant& Machine	8,000	Debtors	13,000	Reserve for R.D.D.	500
Insurance	3,600	Purchases	10,500	Sales	28,500
Drawings	4,000	Creditors	5,000	Outstanding Expenses	400
Motor van	5,400	Land& Building	10,500	Salaries	5,000
Stock(1.4.18)	14,000	Office expenses	1,700	Bad debts	1,000
Cash	1,200	Carriage Inward	1,400		

**F) From the following Trail Balance of Mr. Satyam you are require to Prepare Trading account, Profit and Loss accounts and Balance sheet for the year ended 31<sup>st</sup> March ,2019.**

**Trail Balance as on 31/03/2019**

Particulars	Debit Amt.Rs.	Credit Amt.Rs.
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Capital	-	3,00,000
Drawings	14,000	-
Stock on 1-4-2018	2,20,000	-
Purchases and Sales	2,80,000	4,60,000
Bills Receivable & Bills Payable	30,000	40,000
Returns	5,000	4,500
Plant and Machinery	1,00,000	-
Goodwill	25,000	-
Loose Tools	20,000	-
Cash in Hand	3,000	-
Cash at Bank	10,000	-
Furniture	75,000	-
Sundry Debtors & Creditors	1,25,000	1,30,000
Commission	-	28,000
Salaries	11,000	-
Wages	17,000	-
Office Expenses	3,500	-
Insurance	5,000	-
Advertisement	9,000	-
General expenses	4,000	-
Factory rent	6,000	-
Total	9,62,500	9,62,500

#### **Adjustments:**

1. Closing stock was at Rs.1,20,000.
2. Depreciation on Plant & Machinery by 5% and Loose tools by 15% P.a.
3. Outstanding Salaries Rs.1,000 & Office expenses Rs.500.
4. Insurance Rs.1,000 was prepaid.
5. Commission Rs.3,000 were received in advance.
6. Purchase including of Rs.5,000 Purchase of Furniture on 31<sup>st</sup> March,2019.

#### **H) Single Entry System**

Ajay started a business on 1<sup>st</sup> April, 2019 with a capital of Rs.1,00,000. On 1<sup>st</sup> July 2019 he borrowed Rs.40,000 from Bank for business and introduced further capital of Rs.15,000. On 31<sup>st</sup> March, 2019 his position was :

Cash Balance Rs. 6,000 , Stock Rs.94,000 , Debtors Rs. 70,000 and Creditors Rs.60,000.  
Ascertain his profit or loss during the year.

**I) Lalita Kala Kendra Nashik gives you the following information, for the year ended on 31.03.2019. You are required to prepare.**

- 1) Income and Expenditure Account

2) Balance sheet as on 31-03-2019

**Receipt and Payment Account for the year ending 31.03.2019**

<b>Receipt</b>	<b>Amt.</b>	<b>Payment</b>	<b>Amt.</b>
To Balance b/d : cash in hand	<b>1,300</b>	By Stationery	<b>500</b>
Cash at bank	<b>9,500</b>	By Furniture Purchased	<b>5,000</b>
To Locker rent	<b>500</b>	By Investments	<b>10,000</b>
To Entrance Fees	<b>1,900</b>	By Expenses of Drama	<b>3,350</b>
To Sale of old Newspapers	<b>150</b>	By Postage and Telegram	<b>250</b>
To Receipts from Drama	<b>7,850</b>	By Magazines and Newspapers	<b>400</b>
To Legacies	<b>11,000</b>	By Salary	<b>2,200</b>
To Miscellaneous Receipts	<b>800</b>	By Balance c/d :Cash in Hand	<b>300</b>
		Cash At Bank	<b>11,000</b>
	<b>33,000</b>		<b>33,000</b>

**Additional Information :**

1. Capital Fund on 01.04.2018 was Rs.10,800.
2. Legacies are to be Capitalized.
3. Outstanding salary of Rs. 300.
4. 50% of Entrance fees are to be capitalized.