

MIT Arts, Commerce & Science college, Alandi

Question Bank: F.Y. B.B.A. / F.Y.B.C.A. Sem I Subject: Business Accounting

CHAPTER 1: Basic Concepts of Financial Accounting

- Q1. State the definition of Financial accounting.
- Q2. State the objectives of Financial accounting.
- Q3. State the basic classification of accounting system?
- Q4. What is the difference between Book-keeping & Accounting.
- Q5. State the users of accounting information.
- Q6. State Advantages & Limitations of Financial Accounting?

CHAPTER-2: Accounting Concepts & Conventions

- Q1. Explain the accounting concepts in details?
- Q2. Explain the accounting conventions?

CHAPTER 3: Journal Entry

- Q1. Explain the Golden Rules of Accounting?
- Q2. What is double entire system of Book-keeping?
- Q3. Explain all Subsidiary books in detail?
- Q4. Journalize the following transactions in books of mr X
 - 2nd JAN Sold Goods to Y for Rs. 10,000/- on credit
 - 3rd Jan Sold goods for cash Rs. 8,000/-
 - 6th Jan Y returned goods of Rs. 1,000/-
 - 9th Jan purchased goods from Z for Rs. 8,000/- on credit
 - 12th Jan. Returned goods to Z Rs. 1,000/-

| | |
|-----------------------|--|
| 17 th Jan | Purchased goods for cash Rs. 4,000/- |
| 19 th Jan | Paid rent by cheque Rs. 1,000/- |
| 21 st Jan | Received cash from Y Rs. 7,000/- and allowed him a discount of Rs. 1,000 |
| 24 th Jan. | Paid to Z Rs. 5,000/- and received a discount of Rs. 1,000/- |
| 27 th Jan | Brought New Machine for Rs. 10,000/- cash |
| 31 st Jan | deposited all cash in excess of Rs. 3,000 in to the bank |

Q5. Prepare a trial balance in the books of Mr. Munir Parekh

| | |
|-------------------|-------------|
| Opening Stock | 10,000/- |
| Purchases | 40,000/- |
| Wages | 8,000/- |
| Salaries | 12,000/- |
| Carriage | 3,000/- |
| Rent | 7,000/- |
| Insurance | 3,000/- |
| Repairs | 3,000/- |
| Interest | 2,000/- |
| Land & Building | 30,000/- |
| Plant & Machinery | 20,000/- |
| Furniture | 10,000/- |
| Bills Receivable | 10,000/- |
| Capital | 1, 50,000/- |
| Sales | 1, 00,000/- |
| Sundry Creditors | 30,000/- |
| Sundry Debtors | 4,000/- |
| Bills Payable | 20,000/- |

CHAPTER 4: Subsidiary Books

Enter the following transactions of Suparna in three column Cash Book & Balance the book on 31st Dec.2008

- Dec. 1 Cash in hand 4,000/-
 Cash at Bank 10,000/-
- Dec. 3 Mr. P. Settled his account for Rs. 800/- less 5% discount by cheque
- Dec. 5 Issued a cheque to D in settlement of his account
- Dec. 12 Cash stolen Rs. 500/-
- Dec. 15 Received a cheque for Rs. 4,500/- in full settlement of the A/c. of Z at a discount of 10\% and deposited the same in to the Bank

CHAPTER 5: Bank Reconciliation Statement

From the following particulars prepare a Bank Reconciliation Statement Showing the Balance as per cash book as on 31.3.2009

- a) Balance as per Pass Book Rs. 8,000/-
- b) Cheques deposited but not Rs. 1000/- credited by the bank.
- c) Cheque issued but not presented for payment Rs. 500/-
- d) Cheques deposited in to Bank without recording in cash Book Rs. 600/-
- e) Cheques issued to creditors but not recorded in cash book Rs. 700/-
- f) Dividend collected by Bank but not recorded in Cash Book Rs. 100/-
- g) Debtors directly deposited in to the Bank but not recorded in cash book Rs. 2,000/-

CHAPTER 6: Depreciation

Q1 Explain what is depreciation?

Q2. On 1st Jan. 1983 Machinery was purchased by X for
Rs. 50,000/-

On 1st July 1984 additions were made to the extend of
Rs. 10,000/- .

On 1st April 1985 further additions were made to the
extent of Rs. 6,400/-

On 30th June 1986 Machinery original value of which
was Rs. 50,000/- sold for Rs. 40,000/-

Charge depreciation @ 10% p.a. by straight
line method for 3 years starting from 1st Jan
1983

CHAPTER 7: Final Accounts of Sole Trader

From the following balances for the year ended 31.12.2008 prepare final a/c. in the books of Deepak Lal

| | | | |
|--------------------------|-------------|---------------|-------------|
| Goodwill | 10,000/- | Capital | 60,000/- |
| Plant & Machinery | 18,000/- | Sales | 2, 49,000/- |
| Depreciation | 2,000/- | Bank O.D. | 3,800/- |
| Repair | 1,600/- | O/s Salaries | 2,000/- |
| Wages | 28,000/- | Bills Payable | 3,000/- |
| Salaries | 4,000/- | Prov. For | |
| | | Bad Debts | 6,000/- |
| Income tax | 500/- | Disc.On | |
| | | Purchase | 4,000/- |
| Cash | 2,000/- | Creditors | 23,300/- |
| Land & Building | 74,500/- | | |
| Dep.On Land & Building | 2,500/- | | |
| Purchase (Less Returned) | 23,500/- | | |
| S. Income | 1,500/- | | |
| Bills Receivable | 10,000/- | | |
| Bad Debts | 1,000/- | | |
| Debtors | 35,000/- | | |
| Opening Stock | 37,000/- | | |
| | <hr/> | | |
| | 3, 51,000/- | | 3, 51,100/- |

Adjustment:

- Closing Stock – Market Price – Rs. 40,000/-
Cost Price – Rs. 30,000/-
- Write off Rs. 3,000 as bad debts & create R.D.D. 5% on Debtors.
- Rent O/S Rs. 100/-