

**3rd Sem / Office Management and Computer
Application, Fin., Acc. & Aud.**

**Subject:- Book Keeping and Accountancy - I / II / Financial
Accounting - I**

Time : 3Hrs.

M.M. : 100

SECTION-A

Note: Multiple choice questions. All questions are compulsory (10x1=10)

- Q.1 Accounting is the process of_____ financial transactions.
a) Recording b) Deleting
c) Ignoring d) None of the above
- Q.2 The equation Assets = Liabilities + Capital is known as the_____.
a) Balance Sheet Equation
b) Accounting Equation
c) Business Formula
d) Profit Formula
- Q.3 The book where all transactions are first recorded is called_____.
a) Ledger b) Journal
c) Trial Balance d) Balance sheet
- Q.4 In double-entry bookkeeping, every transaction affects_____accounts.
a) One b) Two
c) Three d) Four

- Q.23 Explain different kind of subsidiary books.
- Q.24 What are the tangible and intangible assets? Give examples.
- Q.25 What is the accounting cycle?
- Q.26 What is Trial Balance? Give its format.
- Q.27 Discuss the errors disclosed by trial balance.
- Q.28 What is Balance Sheet? Give its format.
- Q.29 Discuss the different type of Cash book
- Q.30 Explain the benefits of using double entry system of accounting.
- Q.31 What is the difference between capital and revenue receipts.
- Q.32 What are the Fictitious assets? Give examples.
- Q.33 What is the purpose of preparing profit and loss account?
- Q.34 What is the rule of Nominal account? Explain with examples.
- Q.35 State the difference between revenue and profit.

SECTION-D

Note: Long answer type questions. Attempt any two questions out of three questions. (2x10=20)

- Q.36 What is journal? Explain its format and give examples of Journal entries.
- Q.37 What is a trial balance? How is it prepared? What are the errors that a trial balance cannot detect?
- Q.38 What are financial statements? Explain the structure and significance of the balance sheet and profit & loss account.

- Q.5 The account which records income and expenses is called_____
- a) Ledger b) Trial Balance
c) Profit and Loss Account
d) Balance Sheet
- Q.6 An expense that has been incurred but not yet paid is called_____.
- a) Prepaid Expense
b) Outstanding Expense
c) Capital Expense d) Revenue Expense
- Q.7 A bank reconciliation statement is prepared to :
- a) Know the bank balance
b) Correct errors in the cash book
c) Reconcile the cash book and bank statement balances
d) Find profit or loss
- Q.8 Which accounting principle states that revenue should be recognized when earned and not when received?
- a) Prudence b) Accrual
c) Consistency d) Going Concern
- Q.9 Which financial statement shows a company's profitability over a period of time?
- a) Balance sheet b) Cash Flow Statement
c) Profit & Loss Account
d) Trial Balance
- Q.10 If a Transaction is being omitted for recording in the books, it is known as:
- a) Omission error b) Compensating error
c) Commission error d) Duplication error

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SECTION-B

Note: Objective type questions. All questions are compulsory. (10x1=10)

- Q.11 A trial balance is prepared to check the_____ of debit and credit balances. (Accuracy / Efficiency)
- Q.12 The rule for personal accounts is "Debit the receiver and_____ the giver." (debit/Credit)
- Q.13 A_____ account records income and expenses to determine the net profit or loss of a business. (Balance sheet / Profit and loss account)
- Q.14 _____ assets are non-physical assets, such as goodwill and patents. (Tangible/Intangible)
- Q.15 If expenses are more than income, the business incurs a_____ (Profit/Loss)
- Q.16 Bookkeeping and accounting are the same. (True/False)
- Q.17 The balance sheet records a company's financial performance over a period of time. (True/False)
- Q.18 Cash transactions are recorded in the purchase book. (True/False)
- Q.19 Outstanding expenses are recorded under liabilities in the balance sheet. (True/False)
- Q.20 Building is an Intangible asset. (True/False)

SECTION-C

Note: Short answer type questions. Attempt any twelve questions out of fifteen questions. (12x5=60)

- Q.21 Explain the deferred revenue expenditures with example.
- Q.22 Explain the matching concept of accounting.

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