

- Q.22 Explain in brief Cash basis and accrual basis of accounting.

Q.23 What is Double entry System? Mention its merits.

Q.24 Write meaning and 3 features of Journal.

Q25 Explain the following in brief:

  - a) Cash book                  b) Bills payable

Q.26 What is trial balance? Mention its 3 objectives.

Q.27 What is accounting for depreciation? Mention the methods used to calculate depreciation.

Q.28 What is Errors in accounting? Mention some of its types.

Q.29 Explain in brief the concept of Rectification of errors.

Q.30 What is Financial Statements? What are its uses?

Q.31 What is trading account? Draw a Performa of trading account.

Q.32 Explain in brief accounting for Non-profit organization.

Q.33 Explain in brief Receipt & Payment accounts with its Performa.

## **Section-D**

**Note: Long answer questions. Attempt any three questions out of four Questions. (3x8=24)**

- Q.34 Define Accounting. What are the different users of accounting information?

Q.35 What is ledger? Explain its merits and demerits.

Q.36 What are the financial statements? Prepare Trading & Profit & Loss account with imaginary figures.

Q.37 Explain the process of rectifying errors in accounting records.

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**1st year Branch : FAA  
Subject : Financial Accounting**

Time : 3 Hrs. M.M. : 90

## **SECTION-A**

**Note: Multiple type Questions. All Questions are compulsory. (9x1=9)**

- Q.1 Depreciation is recorded as :

  - a) An expense                  b) A revenue
  - c) An asset                  d) A liability

Q.2 Which of the following is a current liability?

  - a) Accounts Payable      b) Long-term Debt
  - c) Common stock              d) Equipment

Q.3 Which financial statement is also known as the statement of financial position?

  - a) Income Statement
  - b) Statement of Cash Flows
  - c) Balance Sheet
  - d) Statement of Retained Earnings

Q.4 Which of the following is an example of an intangible asset?

  - a) Cash                  b) Land
  - c) Equipment              d) Goodwill

Q.5 The accounting concept that assumes a company will continue to operate indefinitely is known as :

  - a) Materiality Concept
  - b) Going Concern Concept
  - c) Consistency Concept
  - d) Conservatism Concept

- Q.6 Which accounting principle states that assets should be recorded at their original purchase price?  
 a) Revenue Recognition Principle  
 b) Matching Principle  
 c) Historical Cost Principle  
 d) Materiality Principle
- Q.7 Which of the following items would be added to the bank balance in a bank reconciliation?  
 a) Outstanding checks  
 b) Deposits in transit  
 c) Bank service charges  
 d) Bank errors
- Q.8 What is the primary source of revenue for many non-profit organizations?  
 a) Donations & Contributions  
 b) Sales of goods and services  
 c) Investment income  
 d) Government grants
- Q.9 In the financial statements of a non-profit organization, what term is used instead of "net income" or "net loss"?  
 a) Excess of Revenue Over Expenses  
 b) Surplus of Funds  
 c) Net Assets  
 d) Expenditure Allocation
- Q.12 The financial statement that reports the assets, liabilities, and equity of a company at a specific point in time is called the \_\_\_\_\_. (Income statement / Balance sheet)
- Q.13 The accounting concept that states the economic events should be recorded at their original transaction value is known as the \_\_\_\_\_ principle. (Matching Concept / Historical Concept).
- Q.14 The estimated value of an asset at the end of its useful life is known as its \_\_\_\_\_. (Salvage value / Historical value).
- Q.15 Depreciation is the systematic allocation of the \_\_\_\_\_ of a tangible asset over its useful life. (Cost / Revenue)
- Q.16 Errors that do not affect the trial balance are known as \_\_\_\_\_ errors.
- Q.17 An error that occurs when a transaction is completely omitted from the accounting records is known as an \_\_\_\_\_ error. (Omission / Commission)
- Q.18 When preparing financial statements, \_\_\_\_\_ errors should be corrected first. (Arithmetical / Compensating)

### Section-B

**Note: Objective/Completion type questions. All questions are compulsory. (9x1=9)**

- Q.10 Land is an example of a non-current asset. (True/False)
- Q.11 The basic accounting equation is represented as Assets = \_\_\_\_\_ + Owner's Equity. (Liabilities / Expenses)

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**Section-C**  
**Note: Short answer type Questions. Attempt any twelve questions out of fifteen Questions. (12x4=48)**

- Q.19 Define Accounting. Also write 3 objectives of accounting.
- Q.20 Define the following :  
 a) Assets                      b) Liabilities
- Q.21 Write meaning of accounting principles. Also describe any two accounting principle.

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