

TED (15) – 1251

(REVISION — 2015)

Reg. No.

Signature

DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/
MANAGEMENT/COMMERCIAL PRACTICE — APRIL, 2018

BASIC ACCOUNTING

[Time : 3 hours

(Maximum marks : 100)

PART — A

(Maximum marks : 10)

Marks

I Answer *all* questions in one or two sentences. Each question carries 2 marks.

1. State the meaning of book keeping.
2. Write the meaning of ledger.
3. List out any four items on the debit side of trading account.
4. State the meaning of one-sided error.
5. Write the meaning of account receivables.

(5×2 = 10)

PART — B

(Maximum marks : 30)

II Answer any *five* of the following questions. Each question carries 6 marks.

1. Describe the limitations of accounting.
2. Explain the features of trial balance.
3. From the following balances given below, prepare balance sheet.

Capital	30,000	Plant & Machinery	2,000
Building	32,500	Cash in hand	100
Furniture	1,500	Cash at bank	2,000
Sundry debtors	9,750	Net profit	19,450
Bills receivable	1,500	Investment	1,500
Sundry creditors	7,650	Drawings	1,500
Bills payable	1,250	Closing stock	3,500
Loan to Sameer	2,500		

4. Classify the following errors into one sided and two sided.
- Machinery purchase treated as purchases.
 - Sale of furniture treated as sales.
 - Cash received from John debited to John's account.
 - Cash received from Rajan credited to Rajesh.
 - Withdrawal by proprietor debited to establishment charges.
 - Rs. 71 received from Manoj credited to his account as Rs.17.
5. Differentiate between journal and ledger.
6. Prove that the accounting equation is satisfied in all the following transactions of Soman.
- Commenced business with cash ₹ 50,000
 - Purchased goods for cash ₹ 25,000
 - Purchased goods on credit ₹ 15,000
 - Bought furniture ₹ 4,000
 - Cash paid to creditors ₹ 6,000
 - Paid rent ₹ 1,400
7. From the balances extracted from the books of Mr. Arun, prepare trading account for the year ended 31st March 2010.

Cash in hand	1,000	Sundry creditors	38,000
Motor car	34,000	Bank loan	50,000
Drawings	9,000	Sales return	5,000
Purchases	1,46,000	Carriage inwards	12,000
Trade expenses	2,000	Clearing charges	7,000
Purchases return	1,000	Wages	30,000
Sales	4,30,000	Excise duty	3,400
		Lightning	5,000

(5×6 = 30)

PART — C

(Maximum marks : 60)

(Answer one full question from each unit. Each full question carries 15 marks.)

UNIT — I

- III (a) Explain the advantages of accounting. 6
- (b) Explain the users of accounting information. 9
- OR
- IV (a) Describe the assumption of accounting. 8
- (b) Explain the functions of accounting. 7

UNIT — II

- V (a) Explain the steps involved in ledger posting.
 (b) Record the following transactions in a single column cash book.

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March	1	Mohan commenced business with cash	20,000
	2	Opened a bank account	5,000
	4	Purchased goods for cash	4,100
	7	Bought office furniture	3,600
	10	Sold goods for cash	2,400
	13	Paid for stationery	250
	17	Received cash on sales	1,750
	21	Received cheque for goods sold	650
	22	Electricity charges paid	175
	23	Rent paid	325
	23	Cheque received was paid into bank	650
	29	Purchased goods	3,000
	31	Salary paid	1,900

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OR

- VI (a) Explain the objectives of trial balance.
 (b) Explain different types of special journal.

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UNIT — III

- VII (a) Calculate the amount of gross profit.

Opening stock	17,000
Cash purchases	2,30,000
Credit purchases	7,10,000
Cash sales	3,80,000
Credit sales	12,05,000
Direct expenses	2,20,000
Closing stock	28,000
Sales returns	14,000
Purchases returns	12,000

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- (b) Explain the journal entries required to preparing trading account.

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OR

- VIII Explain the format of profit and loss account.

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UNIT — IV

- IX Explain classification of errors.

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OR

- X Explain the treatment of following adjustment items given outside the trial balance.

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|--------------------------------|--------------------------|
| (a) Closing stock | (b) Outstanding expenses |
| (c) Prepaid expenses | (d) Accrued income |
| (e) Income received in advance | |

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