

TED (15) – 1251

(REVISION — 2015)

Reg. No.

Signature

DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/
MANAGEMENT/COMMERCIAL PRACTICE — APRIL, 2019

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. Define the term accounting.
2. Give the meaning of double column cash book.
3. State the accounting equation.
4. What do you mean by journalizing ?
5. What is a trial balance ?

(5 × 2 = 10)

PART — B

(Maximum marks : 30)

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

1. State the difference between trading account and profit and loss account.
2. Explain the nature and objectives of accounting.
3. Explain Double Entry Book-keeping Principles.
4. State the important differences between journal and ledger.
5. Discuss the basic terms used in accounting.
6. Explain the classification of subsidiary books.
7. From the following information calculate gross profit.

Sales	₹ 90,000
Sales returns	₹ 10,000
Purchases	₹ 25,000
Wages	₹ 5,000
Fuel, power and electricity	₹ 3,000
Purchase return	₹ 1000
Opening stock	₹ 7,500
Carriage outward	₹ 1,500
Closing stock	₹ 3,500

(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) Define Assets, Liabilities and Capital and state the accounting equation in terms of these with examples. 9
- (b) State the limitations of financial accounting. 6

OR

- IV Briefly explain the different types of account and also the rule of debit and credit applicable on it with example. 15

UNIT — II

- V (a) Prepare a Cash Book from the following information.

Cash brought in as capital	₹ 75,000
Furniture bought for cash	₹ 12,000
Stationery, subscription etc.	₹ 2,000
Purchase of goods	₹ 24,000
Paid to Ram Mohan on account	₹ 10,000
Received from Ramgopal	₹ 18,000
Paid for goods purchased	₹ 12,500
Sale of old furniture	₹ 1,000
Cash sales	₹ 32,500
Wages paid	₹ 1,500

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- (b) Prepare a Sales Day Book from the given information below:

Sold to C. Chandran on credit 250 kg. of coffee @ ₹ 175 per kg.

Sold to Mohandas on credit one bag of wheat for ₹ 1,700

Sold to Ram for cash ₹ 15,000

Sold to Soman 20 kg of coffee on credit ₹ 3,500

Sold to Jyothi two bags of rice @ ₹ 1,200

Sold to Ganesh 1 chest of tea for ₹ 2,000

Sold to Harris two bags of sugar @ ₹ 4,750

Cash sales ₹ 25,000 to Anish

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OR

- VI From the following information prepare ledger accounts concerned in the books of Prabhu & Company including journal entry.

Marks

Started business with cash	₹ 25,000
Sold goods to swami on credit	₹ 5,000
Return of goods from swami	₹ 750
Paid railway freight	₹ 1,000
Remitted a cheque to bank	₹ 6,000
Sold goods on account	₹ 8,250
Purchase of furniture	₹ 6,000
Salary paid	₹ 1,500
Purchase of goods on account	₹ 7,000
Paid for expenses	₹ 2,750

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UNIT — III

- VII What do you mean by final accounts ? Briefly explain the procedure for the preparation of final accounts.

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OR

- VIII You are given a Trial Balance as at 31-12-2017. Prepare Trading and Profit and Loss account and Balance sheet for the period after taking into consideration the following adjustment :

Stock on hand on 31-12-2017, ₹ 45,500.

	₹		₹
Drawings	15,000	Capital	2,03,000
Premises	90,000	Bills Payable	2,000
Plant and Machinery	43,000	Sundry Creditors	40,000
Bills Receivable	3,000	Purchase Return	2,650
Stock	40,000	Sales	1,15,000
Materials Purchased	51,000	Commission	1,800
Manufacturing Wages	25,000		
Carriage Inward	8,500		
Carriage Outward	500		
Salaries	5,000		
Rent, Rates and Taxes	2,800		
Discount and Allowances	1,500		
Cash at bank	25,000		
Cash in hand	400		
Sundry Debtors	45,000		
Repairs and Replacements	1,800		
Bad debt written off	1,200		
Advertisement	1,300		
Sales return	2,000		
Oil, grease and waste	800		
Printing and stationery	450		
Furniture and fittings	1,200		
	3,64,450		3,64,450

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UNIT — IV

IX Explain the types of errors and steps for locating errors.

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OR

X Rectify the following errors.

1. The purchase has been undercast by ₹ 200.
2. Repairs to motor van ₹ 800 has been debited to motor van account.
3. ₹ 200 received from Lal has been entered on the debit side of his account.
4. ₹ 1,700 received from S. Sandeep was debited to Z. Sandeep.
5. Stationery purchased for ₹ 250 has been wrongly debited to drawings account.
6. A bill received for ₹ 400 received from Manoj was passed through bills payable account.
7. A sale of ₹ 260 to Anil has been credited in his account.

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