

BV (2)/FFA-2.2/17 (C)

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**FUNDAMENTALS OF FINANCE AND
ACCOUNTS**

Paper : G-2.2

Full Marks : 40

Time : 2 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer the following as directed : 1×5=5

(a) Ledger records transactions in a
_____ order. (Fill in the blank)

(b) A compound journal entry

(i) has equal debits and credits

(ii) generally extends to several pages

(iii) does not require a narration

(iv) None of the above

(Choose the correct option)

(c) The periodical total of purchases book
is posted to the

(i) Debit of Purchases Account

(ii) Debit Sales Account

(iii) Credit of Purchases Account

(iv) Credit to Cash Account

(Choose the correct option)

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- (d) Mention two utilities of sales book.
- (e) Petty cashbook records only
- petty expenses
 - petty expenses paid in cash
 - all expenses
 - outstanding expenses
- (Choose the correct option)
2. Answer any five from the following questions : $2 \times 5 = 10$
- What do you mean by double-column cashbook?
 - What do you mean by the accounting equation?
 - What are the vouchers used for recording cash transactions?
 - What are the advantages and disadvantages of journal?
 - Distinguish between 'entry' and 'posting'.
 - Write two advantages of ledger.
 - What is a contra-entry in cashbook?

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3. Answer any three of the following questions : $5 \times 3 = 15$
- (a) Journalize the following transactions :
- June 1 : Hari started business with cash ₹ 45,000, furniture ₹ 50,000. Appointed Abdul as manager-cum-cashier at a monthly salary of ₹ 4,000
- " 2 : Opened an account with SBI by depositing ₹ 10,000
Opened an account with HDFC by depositing ₹ 25,000
Received ₹ 5,000 as security deposit from Abdul
- " 3 : Paid for advertisement in the Assam Tribune ₹ 1,200 by cheque on HDFC
- " 15 : Paid hire charges of ₹ 500 for furniture used in the proprietor's house
- " 20 : Purchased goods from Pinki & Co. for ₹ 8,000 and paid him in cash ₹ 3,000
- " 21 : Returned to Pinki & Co. goods damaged in transit and sent him a debit note of ₹ 700
- " 21 : Sold goods to Nisha & Co. ₹ 11,000 and received ₹ 5,000 in cash and the balance by cheque. The cheque was deposited in the SBI
- " 23 : Paid carriage ₹ 400 on goods sold
- " 23 : Paid on behalf of Nisha & Co. carriage ₹ 300 on the goods sold to them
- " 24 : Paid rent ₹ 2,000 by cheque drawn on SBI
- " 25 : Goods valued ₹ 900 were delivered to Monjita on the instruction of Ganesh

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- " 26 : Ganesh paid ₹ 900 due and the same was spent on purchasing goods from him
 - " 27 : One sofa set belonging to the owner was sold at ₹ 2,000 and the money was invested in the business.
 - " 28 : The proprietor paid ₹ 600 from office cash for tuition fees of his son.
 - " 29 : Received ₹ 300 as rent for the portion of the shop sublet at ₹ 400
 - " 30 : Paid ₹ 4,000 by cheque of SBI to Abdul as salary for the month of June
 - " 30 : Paid ₹ 4,000 as income tax by issuing cheque on HDFC
 - " 30 : Purchased shares of Reliance Industries ₹ 8,000 and payment by cheque on SBI
 - " 30 : Paid ₹ 2,000 for life insurance premium for insurance premium on the life of the proprietor
 - " 30 : Paid ₹ 1,000 as premium for insurance of business premises
 - " 30 : Bought an AC for ₹ 18,000 for domestic use of the proprietor
- (b) What is a cashbook? State the different types of cashbook. Is cashbook a ledger or a journal?
- (c) Explain any four points of differences between cash discount and trade discount.

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- (d) What is a Trial Balance? Mention the various methods of preparing Trial Balance.
- (e) What is a Ledger? Distinguish between Journal and Ledger.
4. Answer any one of the following : 10
- (a) Journalize the following transactions in the books of Sewali and post them in the Ledger Account and also balance them as on April 30, 2017 :
- April 1 : Cash at Bank ₹ 47,500; Cash in hand ₹ 23,800; Furniture ₹ 8,000; Dhriti (Dr.) ₹ 3,400; Gautam (Dr.) ₹ 6,750; Rekha (Cr.) ₹ 3,800; Manash (Cr.) ₹ 4,700; Stock ₹ 5,000
- " 4 : Deposited cash into bank—₹ 6,000
 - " 6 : Purchased goods for cash—₹ 5,000
 - " 7 : Introduced further capital—₹ 10,000
 - " 8 : Purchased goods by cheque—₹ 10,000
 - " 9 : Sold goods to Bhupen—₹ 7,000
 - " 9 : Paid salaries by cheque—₹ 3,000
 - " 10 : Purchased furniture for cash—₹ 12,000
 - " 15 : Received cash from Babita—₹ 5,500
 - " 18 : Paid travelling expenses by cheque—₹ 2,500
 - " 27 : Took loan from Milan—₹ 10,000
 - " 29 : Withdrawn money from bank for personal use—₹ 5,000
 - " 30 : Paid rent—₹ 2,400
 - " 30 : Received commission from Atul—₹ 2,500

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- (b) What do you mean by accounting? Describe the concepts and conventions of accounting.
- (c) What do you mean by Journal? What are the functions of Journal? Mention the four types of transactions recorded in journal proper.
