

COM2FM106(3):Foundations of Accounting

Section-A-Mark-2

1. What is accounting?
2. Define accounting.
3. Mention any three objectives of accounting.
4. State any three advantages of accounting.
5. State any three limitations of accounting.
6. Why is accounting important?
7. What do you mean by accounting information system?
8. What is accounting entity concept? What is the basic accounting equation?
9. What is going concern concept?
10. What is money measurement concept?
11. What is accounting period concept?
12. State the matching principle in accounting.
13. What is dual aspect principle?
14. What is conservatism principle?
15. What is consistency principle?
16. What do you mean by accounting principles? Name any two accounting principles.
17. What is double entry principle?
18. Identify assets from the following: cash, salary, stock, profit, building, sales
19. Identify liabilities from the following: salary paid, salary unpaid, bank loan, drawings, capital, machinery
20. Identify incomes from the following: commission received, bank loan, sales, interest received, capital
21. The total assets of a firm are Rs. 10,00,000 and the capital contribution of the proprietor is Rs. 400,000. Find out the amount of its liabilities.

22. Mr. X, a trader, bought goods of Rs. 8,000 on credit from Mr. A and sold goods of Rs. 10,000 on credit to Mr. P. Who is Mr. A and Mr. P to Mr. X ?
23. Name the term in each of the following cases: i. The amount of goods or cash withdrawn by the proprietor ii. The excess of revenue over expenses in an accounting year iii. The person to whom the business owes money
24. Who is a debtor?
25. What are liabilities? Give two examples.
26. What is a cash transaction?
27. What is a credit transaction?
28. What is a non- cash transaction? Give two examples.
29. What are vouchers?
30. Mr. Kiran, the proprietor of KIRAN'S, attended the birthday party of his staff Mr. Geo. Can this be called a transaction? Why?
31. Mr. Seth, a trader, sells goods to Mr. Hira. Is this a transaction which can be entered in the books of Mr. Seth? If so, why?
32. What is a real account? Give two examples.
33. What is a personal account? Give two examples.
34. What is a nominal account? Give two examples.
35. What is an account?
36. Classify the following accounts into personal, real and nominal accounts: salary a/c, drawings a/c, furniture a/c
37. Give three examples for personal account.
38. Give three examples for real account.
39. Give three examples for nominal account.
40. Classify the following accounts into personal, real and nominal accounts: bank a/c, sales a/c, stock a/c
41. Classify the following accounts into personal, real and nominal accounts: capital a/c, purchases a/c, cash a/c

42. Nisha, a trader, purchased goods worth Rs. 5,000 on credit from Meena. Find out the accounts to be debited and credited as per the principle of double entry.
43. Sold goods to John for Rs. 10,000. Find out the accounts to be debited and credited as per the principle of double entry.
44. Sold goods worth Rs. 3,000 on credit to Hassan . Find out the accounts to be debited and credited as per the principle of double entry.
45. Paid salary Rs. 4,000. Find out the accounts to be debited and credited as per the principle of double entry.
46. State the rule of debit and credit in respect of a real account.
47. State the rule of debit and credit in respect of a personal account.
48. State the rule of debit and credit in respect of a nominal account.
49. State the rule of debit and credit in respect of a capital account.
50. State the rule of debit and credit in respect of a asset account.
51. State the rule of debit and credit in respect of an expense account.
52. What is a ledger?
53. What is posting?
54. Give any three differences between journal and ledger.
55. What is balancing of account?
56. Differentiate bewteen debit balance and credit balance.
57. What is depreciation?
58. What is SLM in depreciation?
59. What is WDV method of depreciation?
60. Expalin any three causes of depreciation.
61. What is a trial balance?
62. What is cost of goods sold?
63. What is a trading account?
64. What is gross profit and net profit?

65. What are the objectives of preparing a trial balance?

66. What is a capital expenditure?

67. What is a revenue expenditure?

68. What is a deferred revenue expenditure?

69. What do you mean by Profit & Loss account?

70. Sold Rahim goods valued at Rs.6,000
Received cash from Raahim Rs.2,500
Returned to Rahim goods Rs.1,000
Pass necessary entries

71. Journalise the following transactions.
Sold goods to cash Rs.8,000
Purchased goods from Rajesh Rs.3,000
Paid cash to Rajesh as part of payment Rs.1,000

72. Journalise the following transactions.
Bought goods from Mathews Rs.3,700
Sold goods worth ₹500 to Mathews
Returned goods worth ₹100 to Mathews

73. Sold to Rahim goods valued at Rs.6,000
Received cash from Raahim Rs.2,500
Returned to Rahim goods Rs.1,000
Pass necessary entries

74. Rajesh commenced business with cash Rs.30,000
Bought office furniture Rs.6,000
Withdrew cash for personal use Rs.2,500
Pass necessary entries

75. Sajan commenced business with cash Rs.10,000
Paid into bank account Rs.5,000
Drew cheque for personal use Rs.900
Pass necessary entries

76. Varun started business with cash Rs.40,000
Purchased goods on credit from Manohar Rs.10,000
Paid salary Rs.5,000
Pass necessary entries

77. Journalise the following transactions.
Anand commenced business with cash Rs.20,000
Paid into bank Rs.10,000
Bought machinery from Machine Mart Rs.5,000

78. Journalise the following transactions.
Purchased goods from Jos Rs.500
Returned goods to Jos Rs.300
Sold goods to Jos

77. Prepare Ravi's account.

Bought goods from Ravi Rs.6,000 at a trade discount of 5%
Returned to him 25% of the above purchase
Settled the account of Ravi who allowed us a discount of Rs.75.

80. Prepare Kumar's account:

Sold goods to Kumar at Rs.1,800
Purchased goods from Kumar Rs.750
Cash received from Kumar Rs.600

81. Prepare Mathew's account:

Jan 1st Debit balance b/d Rs.2,000
Jan 5th Bought goods from Mathews Rs.3,700
Jan 10th returned goods worth Rs.100 to Mathews.

82. Show the ledger account of Girish

Jan 1 Sold goods to Girish Rs.1,500
Jan 15 Received cash from Girish Rs.800
Jan 20 Received goods returned by Girish Rs.150

83. Prepare Mathew's account:

Jan 1st Debit balance b/d Rs.2,000
Jan 5th Bought goods from Mathews Rs.3,700
Jan 10th returned goods worth Rs.100 to Mathews

84. April 1: Started business with cash Rs.25,000

April 2: Purchased goods for cash Rs.5,000
April 4: Sold goods for cash Rs.7,000
April 6: Paid wages Rs.800
April 8: Received from Ramesh Rs.2,000
April 10: Paid to Suresh Rs.1,500
Prepare cash book

85. Jan 1: Cash in hand Rs.10,000

Jan 3: Bought stationery Rs.500
Jan 5: Received cash from Anil Rs.3,000
Jan 7: Paid salary Rs.2,500
Jan 9: Purchased goods Rs.4,000
Jan 11: Sold goods for cash Rs.6,000
Prepare cash book

86. March 1: Cash in hand Rs. 15,000

March 2: Paid cartage Rs.300
March 4: Received cash from Ravi Rs.1,800
March 5: Paid to Krishna Rs.2,000

Prepare cash book

87. Prepare cash account from the following :
July 1: Cash in hand Rs.20,000

July 3: Paid for advertisement Rs.2,500

July 5: Received cash from Mohit Rs.3,000

July 7: Bought furniture for cash Rs.5,000

July 9: Received cash Rs. 1,000 for old newspapers

July 10: Paid to peon Rs.400

88. Prepare single column cash book

Jan 1	Opening balance of cash	Rs.8,650
Jan 3	Paid into bank account	Rs.5,000
Jan 9	Sold goods for cash	Rs.4,000
Jan 19	Rent paid by cheques	Rs.750
Jan 27	Received cash on sales	Rs.3,500
Jan 31	Drew a cheque for personal use	Rs.800

89. Classify the following accounts into that having debit balance and credit balance:

Bills payable	Rs.10,000
Prepaid rent	Rs.2,000
Outstanding expenses	Rs.500
Equipment	Rs.5,000
Machinery	Rs.10,000
Stationary	Rs.1,000

90. Classify the following accounts into that having debit balance and credit balance:

Opening stock	Rs.6,500
Purchases	Rs.45,000
Sales	Rs.72,000
Purchases Returns	Rs.500
Sales Returns	Rs.1,500
Carriage	Rs.1,200

91. Classify the following accounts into that having debit balance and credit balance:

Sales	Rs.72,000
Sales Returns	Rs.1,500
Carriage	Rs.1,200
Wages	Rs.4,800
Fuel & Power	Rs.3,200
Closing stock	Rs.8,000

92. Classify the following accounts into that having debit balance and credit balance:

Opening Stock as on 1 st January	Rs. 32,000
Purchases	Rs. 1,65,000
Freight	Rs. 4,000
Power	Rs. 6,500
Sales	Rs. 80,000
Closing Stock as on 31st March,	Rs. 30,000

93. Classify the following accounts into that having debit balance and credit balance:

Discount allowed to customers	Rs. 2,000
Printing and stationery	Rs. 2,000
Office rent	Rs. 5,000
Repair	Rs. 2,400
Insurance Premium	Rs. 5,100

94. Prepare a Trading Account from the following information of a trader.

Opening stock	Rs.50,000
Total purchases made during the year	Rs.200,000.
Total sales made during the year	Rs.250,000
Wages made during the year	Rs.20,000
Carraige inward	Rs.1,000
Closing stock	Rs.40,000

95. Prepare a Trading Account from the following information of a trader.

Opening stock	Rs.16,000
Purchases made during the year	Rs.40,000
Sales made during the year	Rs.78,000
Wages made during the year	Rs.20,000
Carraige inward	Rs.1,000
Closing stock	Rs.10,000

96. Prepare a Trading Account from the following information of a trader.

Opening stock	Rs.40,000
Total purchases made during the year	Rs.100,000.
Total sales made during the year	Rs.150,000
Sales returns	Rs.1,000
Wages made during the year	Rs.20,000
Carraige inward	Rs.1,000
Closing stock	Rs.30,000

97. Calculate the amount of gross profit:

Opening stock	Rs.20,000
Purchases	Rs.50,000
Sales	Rs.60,000
Carriage on expenses	Rs.10,000
Closing stock	Rs.25,000

98. Calculate the amount of gross profit:

Opening stock	Rs.42,000
Purchases	Rs.60,000
Sales	Rs.80,000
Loss due to fire	Rs.10,000
Closing stock	Rs.25,000

99. Calculate the amount of depreciation to be charged per annum under SLM:

Cost of the asset	Rs.11,000
Scrap value	Rs.1,000 (at the end of 10 years)

100. Cost of the asset Rs.30,000
Scrap value Rs.1,500 (at the end of 10 years)
Calculate the amount of depreciation:

101. Megha Ltd purchased a machinery for Rs.2,50,000 on 1st January,2020. Depreciation is to be charged annually according to straight line method. The useful working life of the machinery is 10 years and its scrap value after 10 years is estimated to be Rs.50,000. Calculate the amount of depreciation.
102. Calculate the amount of depreciation under straight line method:
Cost of the machine for Rs.96,000, installation charges Rs.24,000, useful life of the machine is 4 years.
Estimated residual value Rs.72,000
103. Calculate the amount of depreciation under straight line method:
Cost of the machine for Rs.1,20,000, installation charges Rs.54,000, useful life of the machine is 5 years.
Estimated residual value Rs.90,000
104. If WDV of an asset at the beginning of the year is ₹72,000 and rate is 10%, calculate depreciation to be provided during the year and find out the closing WDV of the asset.
105. An asset costing ₹90,000 is depreciated at 20% WDV. Find WDV after first year.
106. What will be the WDV after one year if an asset of ₹60,000 is depreciated at 15% WDV?
107. Calculate second-year depreciation under WDV if cost is ₹40,000 and rate of depreciation is 10%.
108. Find the WDV at the end of the first three years if depreciation is charged at 20% on ₹1,00,000.

Section-B-Mark-6

1. State the objectives of accounting.
2. Explain the advantages of accounting.
3. Briefly explain the limitations of accounting.
4. Explain the salient features of accounting.
5. State the importance of accounting.
6. Explain any three concepts of accounting.
7. What is meant by accounting concept? Explain any two accounting concepts.
8. Identify the accounting concept in each of the following cases: i. The proprietor is treated as a creditor of the business to the extent of his capital ii. Every business has an indefinite future life iii. Accounting does not record qualitative

7. Bring out any six differences between double entry and single entry system of accounting.
10. What do you mean by accounting principles? Explain any two accounting principles.
11. Identify the accounting principle in each of the following cases: i. Trading result is ascertained by matching expenses and revenues of a particular period ii. Every business transaction has a debit aspect and a credit aspect iii. Closing stock is valued at cost or market price whichever is lower.
12. Give any six differences between journal and ledger.
13. What do you mean by debit balance and credit balance of an account? Which of these balances is applicable to the following :a) Liability a/c b) Expense a/c c) Asset a/c d) Capital a/c
14. Explain the features of depreciation.
15. Explain any two methods of depreciation.
16. Bring out the differences between Trading a/c and Profit & Loss a/c.
17. Explain the differences between Profit & Loss a/c and Balance Sheet.
18. Differentiate between revenue expenditure and capital expenditure.
19. Explain the salient features of a balance sheet.
20. What is a Trial balance? Explain its objectives.
21. What is a) Gross Profit b) Cost of goods sold d) Net profit
22. Journalise the following transactions.
2012
Jan 1 Amogh started business with cash 50,000
Jan 2 Paid into Bank 20,000
Jan 4 Goods purchased for cash 10,000
Jan 8 Machinery purchased and paid by cheque 5,000
Jan 12 Sold goods to Pranaya 12,000
Jan 15 Purchased goods from Minakshi 16,000
23. Jan 11 Capital introduced Rs.1,00,000
Jan 11 Machinery purchased Rs.5,000
Jan 12 Sold goods to Pranaya Rs.12,000
Jan 15 Purchased goods from Gunakshi Rs.16,000
Jan 18 Sold goods for cash Rs.8,000
Jan 20 Received cash from Pranaya Rs.12,000
Jan 31 Withdrew cash for personal use Rs.2,400

Journalise the above transactions.

24. Journalise the following transactions in the books of Pranaya:
2012
Jan. 1 Commenced business with cash Rs.50,000
Jan. 3 Paid into bank Rs.25,000
Jan. 5 Purchased furniture for cash Rs.5,000
Jan. 8 Purchased goods and paid by cheque Rs.15,000
Jan. 8 Paid for carriage Rs.500
Jan. 14 Purchased goods from Gaurav Rs.35,000
Jan. 18 Cash Sales Rs.32,000
25. Journalise the following transactions:
Jan 21 Sold goods to Amol on credit Rs.28,000
Jan. 25 Paid cash to Gaurav in full settlement Rs.34,200
Jan. 28 Cash received from Amol Rs.27,500
Discount allowed to him Rs.500
Jan. 31 Paid rent for the month Rs. Rs.2,000
Jan. 31 Withdrew from the bank for private use Rs.2,500
26. Journalise the following transactions in the books of Smt. Sheela.
Commenced business with cash Rs.1,30,000
Paid into bank Rs.21,000
Purchase goods Rs.1,500
Withdrew cash from bank Rs.3,000
Sold goods to Sharma Rs.1,000
Purchased goods from Deepak Rs.1,500
27. Journalise the following transactions in the journal of Mr. Ram Kumar.
Commenced business with cash Rs.1,50,000
Purchased goods for cash Rs.1,00,000
Purchased goods from Mohan on credit Rs.26,000
Deposited into bank Rs.15,000
Goods sold to Kaushik on credit Rs.5,000
Sale of old furniture Rs.3,500
28. Write up a Sharjeel Siraj Khan's single column cash book for the month of April 2015, from the following.
- April
- | | |
|---------------------------|------------|
| 1 Cash in hand | Rs. 1,650 |
| 2 Cash sales | Rs. 16,000 |
| 3 Paid check to creditors | Rs. 4,000 |
| 4 Wages paid in cash | Rs. 2,250 |
| 4 Cash sales | Rs. 18,000 |
| 11 Paid salaries by cash | Rs.2,850 |
29. Prepare cash book:
- 2016 November
- | | |
|--|------------|
| 1. Started business with cash | Rs. 70,000 |
| 3. Purchased merchandising for cash | Rs. 5,000 |
| 4. Sold goods Rs. 1,700 on cash and Rs. 1,300 on account | |
| 5. Cash received from Manzoor Alam | Rs. 200 |

14. Bought furniture worth of Rs. 200

30. Prepare cash book:

2020 April

1 He had cash in hand	Rs.50,000
2 Opened a Bank Account	Rs. 30,000
4 Received cash from customer	Rs.4,000
6 Paid to creditor Ali by bank	Rs.500
7 Purchase by cash	Rs. 1,000
10 Rent paid	Rs. 250

31. Prepare a single-column Cash Book and balance it.

January 1: Started business with cash	Rs.50,000
January 3: Purchased goods for cash	Rs. 10,000
January 5: Sold goods for cash	Rs.15,000
January 10: Paid rent	Rs.5,000
January 15: Bought stationery for	Rs.1,000
January 20: Received cash from a customer	Rs.8,000

32. 1. Enter the following transactions in a Single Column Cash Book:

2025

Feb. 1 Mr. Rawat commenced business with Cash	Rs.6,00,000
Feb. 3 Opened a Bank Account and deposited	Rs.2,50,000
Feb. 5 Purchased goods for Cash	Rs.1,80,000
Feb. 7 Purchased goods	Rs.70,000
Feb. 10 Purchased goods from Paras	Rs.60,000
Feb. 12 Paid to Paras	Rs.58,600
Discount received from him	Rs.1,400
Feb. 15 Paid Wages in Cash	Rs.33,000

33. From the following balances extracted from the books of a trader, prepare Trial Balance as on 31st March, 2024.

Cash in hand	Rs 4,200
Cash at Bank	Rs 16,800
Bills Receivable	Rs 18,000
Bills payable	Rs 16,000
Sundry debtors	Rs 24,600
Sundry creditors	Rs 32,400
Capital	Rs 50,000
Drawings	Rs 18,000
Sales	Rs 1,05,000

Salaries	Rs 12,000
Advertisement	Rs 2,400
Insurance	Rs 1,600
Furniture	Rs 7,500
Stock	Rs 18,600
Office Rent	Rs 2,000

34. Prepare Trial Balance of M/s Multiplying enterprise as on 31st December, 2024.

Accounts Balances		Accounts Balances	
Cash in hand	Rs.2,500	Debtors	Rs.18,200
Cash at Bank	Rs.14,500	Creditors	Rs.16,600
Capital	Rs.70,000	Opening stock	Rs.8,700
Drawing	Rs.9,000	Wages	Rs.6,700
Purchases	Rs.60,000	Rent	Rs.5,000
Sales	Rs.82,000	Salary	Rs.8,400
Machine	Rs.35,000	Bills Payable	Rs.11,400
Closing stock	Rs.12,000		

35. Prepare Trial Balance of Moon Ltd as on 31st December, 2024.

Accounts Balances		Accounts Balances	
Cash in hand	Rs.5,000	Debtors	Rs.36,400
Cash at Bank	Rs.29,000	Creditors	Rs.33,200
Capital	Rs.1,40,000	Opening stock	Rs.17,400
Drawing	Rs.18,000	Wages	Rs.13,400
Purchases	Rs.1,20,000	Rent	Rs.10,000
Sales	Rs.1,64,000	Salary	Rs.16,800
Machine	Rs.70,000	Bills Payable	Rs.22,800
Closing stock	Rs.24,000		

36. Prepare trial balance

Capital	Rs 1,00,000	Drawings	Rs 16,000
Machinery	Rs 20,000	Sales	Rs 2,00,000
Purchases	Rs 2,10,000	Sales return	Rs 20,000
Purchases return	Rs 30,000	Wages	Rs 40,000
Goodwill	Rs 60,000	Interest received	Rs 15,000
Discount allowed	Rs 6,000	Bank overdraft	Rs 22,000
Bank loan	Rs 90,000	Cash	Rs 54,000
Stock on April 01, 2013	16,000		
Debtors :			
Nathu	Rs 55,000		
Babu	Rs 20,000		

Reena Rs 35,000

Ganesh Rs 25,000

37. Prepare trial balance.

Capital	Rs.2,00,000
Cash	Rs.1,80,000
Creditors	Rs.1,00,000
Sales	Rs.3,00,000
Stock	Rs.70,000
Debtors	Rs.3,00,000
Bank loan	Rs.1,50,000
Purchases	Rs.2,00,000

38. Prepare a trading account of M/s Prime Products from the following

Opening stock Rs 50,000

Purchases Rs 1,10,000

Return inwards Rs 5,000

Sales Rs 3,00,000

Return outwards Rs 7,000

Factory rent Rs 30,000

Wages Rs 40,000

39. Prepare a trading account of M/s Anjali from the following information related to March 31, 2017.

Opening stock Rs 60,000

Purchases Rs 3,00,000

Sales Rs 7,50,000

Purchases return 18,000

Sales return Rs 30,000

Carriage on purchases Rs 12,000

Carriage on sales Rs 15,000

Factory rent Rs 18,000

Office rent Rs 18,000

Dock and Clearing charges Rs 48,000

Freight and Octroi Rs 6,500

Coal, Gas and Water Rs 10,000

40. Compute cost of goods sold for the year 2024 with the help of the following information and prepare trading account

Sales Rs 20,00,000

Purchases Rs 15,00,000

Stock (Apr. 01, 2023) Rs 3, 00,000
Stock (March 31, 2024) Rs 4,00,000
Freight inwards Rs 1,00,000

41. From the following balances obtained from the few accounts of Mr. H. Balaram. Prepare the Trading Account.

Stock on Apr. 01, 2023 Rs 8,000	Bad debts Rs 1,200
Purchases for the year Rs 22,000	Rent Rs 1,200
Sales for the year Rs 42,000	Discount allowed Rs 600
Purchase expenses Rs 2,500	Commission paid Rs 1,100
Salaries and wages Rs 3,500	Sales expenses Rs 600
Advertisement Rs 1,000	Repairs Rs 600

Closing stock on March 31, 2024 is Rs 4,500.

42. Following balance is extracted from the books of a trader ascertain gross profit.

Sales Rs 75,250
Purchases Rs 32,250
Opening stock Rs 7,600
Sales return Rs 1,250
Purchases return Rs 250
Stationery and printing Rs 250
Salaries Rs 3,000
Wages Rs 2,600
Loss on sale of old furniture Rs 300
Closing stock (March 31, 2024) valued at Rs 8,000

43. From the following balances obtained from the few accounts of Mr. H. Balaram. Prepare the Trading and Profit and Loss Account.

Opening stock Rs 8,000	Bad debts Rs 1,200
Purchases for the year Rs 22,000	Rent Rs 1,200
Sales for the year Rs 42,000	Discount allowed Rs 600
Purchase expenses Rs 2,500	Commission paid Rs 1,100
Salaries and wages Rs 3,500	Sales expenses Rs 600
Advertisement Rs 1,000	Repairs Rs 600

Closing stock Rs. 4,500

44. Prepare Profit and Loss Account:

Gross profit	Rs.12,000
Salaries	Rs.4,500

Insurance Rs.200
 Carriage on sales Rs.450
 Commission paid Rs.800
 Advertising Rs.850
 Discount allowed Rs.500
 Discount received Rs.700
 Interest received Rs.1,000
 Bad debts Rs.200

45. Prepare Trading and Profit and Loss Account from the following balances, for the year ending 31" March, 2025:

Opening stock Rs. 16,000	Repairs Rs 500
Returns Outward Rs 5,000	Sales Rs 1,64,000
Rent Rs 4,000	Trade Expenses Rs 7,000
Manufacturing Expenses 8,000	Purchases Rs 1,05,000
Sundry Debtors Rs.24,000	Returns Inward Rs 3,000
Bad Debts Rs 2,000	Salary Rs. 6,000
Carriage Rs 10,000	
Fuel and Power Rs 1,000	
Wages Rs 50,000	
Closing stock Rs 20,000	

46. From the following information, prepare Profit and loss Account of M/s Sahil Bros for the Year ending on 31.03.2012.

Gross Profit Rs Rs 97,000
 Discount allowed to customers Rs 2,000
 Printing and stationery Rs 2,000
 Office rent Rs 5,000
 Repair Rs 2,400
 Insurance Premium Rs 5,100
 Telephone Charges Rs 1,000
 Discount received from Creditors Rs 3,000
 Interest earned during the year Rs 5,000

47. From The Following, prepare Profit and Loss Account.

Gross Profit transferred from Trading Account	□ 1,97,500
Salaries	□ 86,000
Discount Allowed	□ 4,200
Discount Received	□ 5,000
Bad Debts	□ 17,000
Printing	□ 1,400
Depreciation	□ 15,000
Insurance	□ 11,500
Carriage Outward	□ 3,100
Interest Received	□ 6,700
Rent	□ 24,000

48. A company purchases a computer for Rs. 55,000. The computer is expected to have a salvage value of Rs. 3,000 and a useful life of 5 years. Calculate the annual depreciation expense using the straight-line method and draw up the asset account for five years.
49. X limited purchased a machine on April 1, 2021 for Rs. 1,00,000 whose life was expected to be 10 years. Its estimated scrap value at the end of 10 years was Rs. 10,000. Find the amount of depreciation to be charged to Profit and Loss Account every year under SLM. Also calculate the rate on which depreciation is to be charged every year.
50. Salman and Usman Bros. acquired a machine on July 1, 2008 at a cost of ` 70,000 and spent ` 5,000 on its installation. The firm writes off depreciation @ 10% on straight line method. The books are closed on December 31 every year. Show the machinery and depreciation account for three years.
51. Purchase Price: Rs.100,000
Salvage value: Rs.30,000
Useful life of equipment: 10 years
Calculate the annual depreciation expense using a) straight-line method and b) written down value method
52. A company purchases a computer for Rs. 60,000. The computer is expected to have a salvage value of Rs. 6,000 and a useful life of 10 years. Calculate the annual depreciation expense using the straight-line method and WDV method.
53. On 1st July, 2024 Nissan Co Ltd purchased a machinery for Rs.24,000 and spent Rs.1,000 for its installation. Show machinery account for the years 2024, 2025 and 2026. The company writes off depreciation @20% per annum on the written down value method. The company closes its books on 31st December each year.
54. On 1st July, 2024 Nissan Co Ltd purchased a machinery for Rs.48,000 and spent Rs.2,000 for its installation. Show machinery account for the years 2024, 2025 and 2026. The company writes off depreciation @20% per annum on the written down value method. The company closes its books on 31st December each year.
55. A company purchased some furniture costing Rs.20,000 on 1st January 2020. They decided to write off depreciation @10% per annum on the diminishing balance annually on 31st December. On 30th September, 2021 purchased further furniture items worth Rs. 10,000. On 1st July, 2022 some furniture items purchased in 2020, which originally cost Rs.2,000, was sold for Rs.1,800. Prepare furniture account.
56. A company purchased a machinery costing Rs.2,00,000 on 1st January 2020. It decided to write off depreciation @10% per annum on the diminishing balance annually on 31st December. On 30th October, 2021 purchased another machinery worth Rs. 1,50,000. On 1st July, 2022 the machinery purchased in 2020 was sold for Rs. 140,000. Prepare machinery account.

37. On 1st July, 2024 a company purchased a machinery for Rs.58,000 and spent Rs.2,000 for its installation. Show machinery account for the 2024, 2025 and 2026. The company writes off depreciation @25% per annum on the written down value method. The company closes its books on 31st December every year.

Section-C-Mark-10

1. J Ltd is a sole proprietor having a provisions store. Following are the transactions during the month of January, 2024. Journalise them.
 - 1 Commenced business with cash Rs.80,000
 - 2 Deposited cash with bank Rs.40,000
 - 3 Purchased goods by paying cash Rs.5,000
 - 4 Purchased goods from Lipton & Co. on credit Rs.10,000
 - 5 Sold goods to Joy and received cash Rs.11,000
 - 6 Paid salaries by cash Rs.5,000
 - 7 Paid Lipton & Co. by cheque for the purchases made on 4th Jan.
 - 8 Bought furniture by cash Rs. 4,000
 - 9 Paid electricity charges by cash Rs. 1,000
 - Paid insurance premium Rs. 1,000
2. Ananth is a trader dealing in textiles. For the following transactions, pass journal entries for the month of January, 2024.
 - 1 Commenced business with cash Rs.70,000
 - 2 Purchased goods from X and Co. on credit Rs. 30,000
 - 3 Cash deposited into bank Rs.40,000
 - 4 Bought a building from L and Co. on credit Rs. 95,000
 - 5 Cash withdrawn from bank for office use Rs. 5,000
 - 6 Cash withdrawn from bank for personal use of Ananthu Rs. 4,000
 - 7 Bought stationaries Rs.3,000
 - 8 Shirts taken over by Ananth for personal use Rs.12,000
 - 9 Additional capital introduced Rs. 30,000
 - 10 Goods (table clothes) used for office use Rs. 200
3. Pass journal entries for the month of January, 2025.
 - 1 Commenced business with cash Rs. 90,000
 - 2 Purchased goods from X and Co. on credit Rs.40,000
 - 3 Accepted bill drawn by X and Co. Rs.20,000
 - 4 Sold goods to D and Co. on credit Rs.10,000
 - 5 Paid by cash the bill drawn by X and Co.
 - 6 Received cheque from D and Co. in full settlement and deposited the same in bank Rs.9,000
 - 7 Commission received in cash Rs.5,000
 - 8 Goods costing Rs. 40,000 was sold and cash received Rs. 50,000

10 Building purchased from Kumar and Co. for Rs. 1,00,000

4. Bragathish is a trader dealing in electronic goods who commenced his business in 2022. For the following transactions took place in the month of March 2025, pass journal entries.

1. Purchased goods from Y and Co. on credit Rs.60,000
2. Sold goods to D and Co. on credit Rs. 30,000
3. Paid Y and Co. through bank in full settlement Rs. 58,000
4. Cash deposited into bank Rs.30,000
5. Sold goods to Lora on credit Rs.20,000
6. Sold goods to M on credit Rs.40,000
- 7 Received a cheque from M in full settlement and deposited the same to the bank Rs. 39,000
8. Goods returned to Y and Co. Rs. 4,000
9. Lora paid the amount of sales (5th March)
10. Goods returned by M Rs. 3,000

5. Pass the necessary journal entries in the book of Raghav from the following transactions:

- (a) On 2 April 2023, opened a Bank Account by depositing ₹50,000.
- (b) On 7 April 2023, goods were brought for ₹10,000, and payment was made by cheque.
- (c) On 9 April 2023, Ravi (the debtor) directly deposited an amount of ₹40,000 in Raghav's bank account.
- (d) On 15 April 2023, cash withdrawn ₹5,000 for personal use.
- (e) On 21 April 2023, Sold goods to Ankit for ₹30,000 at a cash discount of 10%
- (f) On 26 April 2023, bought furniture from Furniture Mart Rs.1,500
- (g) On 29 April 2023, the Bank charged interest for ₹500.
- (h) On 29 April 2023, bought stationary Rs.1,500
- (i) On 30 April 2023, commission received for ₹500
- (j) On 30 April 2023, purchased furniture for Rs. 25,000

6. Prepare single column cash book:

April 1: Started business with cash Rs.25,000

April 2: Purchased goods for cash Rs.5,000

April 4: Sold goods for cash Rs.7,000

April 6: Paid wages Rs.800

April 8: Received from Ramesh Rs.2,000

April 10: Paid to Suresh Rs.1,500

April 12: Paid rent Rs.1,000

April 15: Received commission Rs.500

April 16: Insurance paid Rs.25,00

April 20: Purchased stationary for cash Rs.5,00

7. Prepare cash book:

March 1: Cash in hand Rs. 15,000

March 2: Paid cartage Rs.300

March 4: Received cash from Ravi Rs.1,800

March 5: Paid to Krishna Rs.2,000

March 6: Paid rent Rs.1,200

March 7: Bought furniture for cash Rs.5,000

March 9: Received cash Rs. 1,000 for old newspapers

March 10: Paid to peon Rs.400

March 15: Commission received Rs.1,000

March 18: Received cash from Anupam Rs.1,000

8. Prepare a double column cash book with the help of following information for December 2025:

01 Started business with cash Rs.1,20,000

03 Cash paid into bank Rs.50,000

05 Purchased goods from Sushmita Rs.20,000

06 Sold goods to Dinker and received a cheque Rs.20,000

10 Paid to Sushmita cash Rs.20,000

14 Cheque received on December 06, 2016 deposited into bank

18 Sold goods to Rani Rs.12,000

20 Cartage paid in cash Rs.500

22 Received cash from Rani Rs.12,000

27 Commission received Rs.5,000

30 Drew cash for personal use Rs.2,000

9. Enter the following transactions in double column cash book of M/s Ambica Traders for July 2025:

01 Commenced business with cash Rs.50,000

03 Opened bank account with ICICI Rs.30,000

05 Purchased goods for cash Rs.10,000

10 Purchased office machine for cash Rs.5,000

15 Sales goods on credit from Rohan and received cheque Rs.7,000

18 Cash sales Rs.8,000

20 Rohan's cheque deposited into bank

22 Paid cartage by cheque Rs.500

25 Cash withdrawn for personal use Rs.2,000

23 Paid rent by cheque Rs.1,000

10. Prepare double column cash book from the following information for July 2025:

01 Cash in hand Rs.7,500

05 Cash sales Rs.7,000
 10 Cash deposited into bank Rs.4,000
 15 Goods purchased and paid by cheque Rs.2,000
 20 Paid rent Rs.500
 25 Drew from bank for personal use Rs.400
 30 Salary paid Rs.1,000

11. Prepare a trial balance as at March 31, 2024 based on the following balances: Accounts Title

Amount	
Capital	1,00,000
Drawings	16,000
Machinery	20,000
Sales	2,00,000
Purchases	2,10,000
Sales return	20,000
Purchases return	30,000
Wages	40,000
Goodwill	60,000
Interest received	15,000
Discount allowed	6,000
Bank overdraft	22,000
Bank loan	90,000
Debtors :	
Nathu	55,000
Roopa	20,000
Creditors :	
Reena	35,000
Ganesh	25,000
Cash	54,000
Stock on April 01, 2013	16,000

12. Prepare Trial Balance as on 31.03.2022 from the following balances of Ms. Maliha Afzal:

Stock (1.04.2021) Rs. 30,000

Capital Rs. 250,000

Discount allowed Rs. 950

Rent Rs. 72,500

Printing charges Rs. 1,500

Insurance Rs. 2,700

Discount received Rs. 1,000

Stock (31.03.2022) Rs. 17,000

Machinery Rs. 215,400

P/L account Rs. 71,100

Bills receivable Rs. 52,500

Furniture Rs. 33,000

Sales Rs. 335,350

Freight Rs. 3,500

Sundry creditors 75,000

Sundry expenses Rs. 21,000

Bank loan Rs. 120,000

Income tax Rs. 9,500

Bills payable Rs. 31,700

13. Prepare Trial Balance from the following balances of Mr. Akhtar as on 31.12.2025:

Capital Rs. 420,000

Building Rs. 115,000

Machinery Rs. 60,000

Furniture Rs. 11,000

Car Rs. 68,000

Commission Rs. 1,400

Purchases Rs. 94,000

Insurance Rs. 2,400

General Expenses Rs. 800

Reserve for doubtful debts Rs. 7,300

Closing Stock Rs. 12,000

5,000

Cash in hand Rs. 25,000

Cash at bank Rs. 84,700

Sundry Creditors Rs. 68,000

Rent Rs. 48,000

Opening stock Rs. 86,000

Rates and Taxes Rs. 2,600

Bad debts Rs. 3,200

Sales Rs. 196,000

Sundry debtors Rs. 16,200

Salaries Rs. 94,000

Unearned Revenue Rs. 16,000

Interest received Rs.

14. The following balances are extracted from the books of Ms. Maria Waseem, Prepare Trial Balance as on 30.6.2025:

Capital Rs. 470,200

Cash in hand Rs. 6,000

Building Rs. 120,000

Stock Rs. 33,000

Account payable Rs. 26,000

Sales Rs. 90,000

Telephone charges Rs. 6,450

Rent & Taxes Rs. 6,300

Furniture Rs. 11,000

Discount earned Rs. 1,100

Salaries Rs. 70,600

Reserve fund Rs. 5,900

Account receivable Rs. 8,600

Machinery Rs. 158,800
 Account receivable Rs. 48,000
 Repairs Rs. 5,400
 Insurance premium Rs. 3,300
 Commission Rs. 750
 Purchases Rs. 165,000
 Loan from Sidra Rs. 51,000
 Discount allowed Rs. 650
 Bad debts Rs. 1,350
 Bills payable Rs. 6,000

15. Prepare a Trial balance as on 31.12.2025.

	Rs.
Revenue	85 000
Inventory-1 st Jan 2025	3 750
Purchases	35 800
Wages and salaries	3 500
Rent and rates	1 500
Machinery	40 000
Equipment	30 000
Fixtures and Fittings	15 000
Trade Receivables	18 000
Cash and Bank	12 000
Trade payables	14 000
Loan from bank	11 000
Capital	142 550
Drawings	8 000
Closing stock	93,000

16.		Rs.
	Revenue	43 200
	Inventory-1 st Jan 2015	5 700
	Purchases	49 900
	Wages and salaries	4 400
	Rent and rates	1 800
	Advertising	2 600
	Office Equipment	41 000
	Fixtures and fittings	8 400
	Trade Receivables	14 000
	Cash and Bank	11 000
	Trade payables	12 000
	10% Loan from Bank	15 000
	Capital	75 600
	Drawings	7 000

Prepare a Trial Balance.

17. From the following balances obtained from the few accounts of Mr. H. Balaram. Prepare the Trading and Profit and Loss Account.

Stock on Apr. 01, 2024 8,000	Bad debts 1,200
Purchases for the year 22,000	Rent 1,200
Sales for the year 42,000	Discount allowed 600
Purchase expenses 2,500	Commission paid 1,100
Salaries and wages 3,500	Sales expenses 600
Advertisement 1,000	Repairs 600
Closing stock on March 31, 2025 is Rs. 4,500	

18. 1. Following balance is extracted from the books of a trader ascertain gross profit and net profit for the year ended March 31, 2025.

Particulars	Amount
Sales	75,250
Purchases	32,250
Opening stock	7,600
Sales return	1,250
Purchases return	250
Rent	300
Stationery and printing	250
Salaries	3,000
Misc. expenses	200
Travelling expenses	500
Advertisement	1,800
Commission paid	150
Office expenses	1,600
Wages	2,600
Profit on sale of investment	500
Depreciation	800
Dividend on investment	2,500
Loss on sale of old furniture	300
Closing stock (March 31, 2025) valued at 8,000	

19. Prepare Profit and Loss account:

Commission paid 150
Office expenses 1,600
Wages 2,600
Profit on sale of investment 500
Depreciation 800

Loss on sale of old furniture 300

Closing stock (March 31, 2017) valued at 8,000

Manufacturing expenses 1,500

Commission received 1,500

Rent received 2,000

Interest paid 2,500

20. Prepare profit and loss account:

Particulars	Amount (₹)
Salaries	45,000
Office Expenses	20,000
Rent	24,000
Bad Debts	3,000
Provision for Doubtful Debts	2,000
Sundry Debtors	60,000
Discount Allowed	5,000
Interest Received	6,000
Machinery	1,20,000
Furniture	40,000
Sales	3,50,000
Gross Profit (given)	1,40,000

Adjustments

Depreciate machinery @ 10% p.a.

Depreciate furniture @ 10%.

Salaries outstanding ₹5,000.

Prepaid rent ₹4,000.

Create new provision for doubtful debts @ 5% on debtors.

Write off further bad debts ₹2,000.

21. Prepare profit and loss account:

Particulars	Amount (₹)
Opening Stock	50,000
Purchases	2,20,000
Sales	4,00,000
Wages	30,000
Salaries	40,000
Carriage Inwards	6,000
Discount Allowed	5,000
Rent	24,000
Bad Debts	3,000
Sundry Debtors	80,000
Provision for Doubtful Debts	2,000
Furniture	50,000

Closing Stock (given)	70,000
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Adjustments:

- i. Salaries outstanding □6,000
- ii. Rent prepaid □4,000
- iii. Depreciation:

Furniture @ 10%

Machinery @ 10%

- iv. Further Bad Debts □2,000

22. 1. Raj Mills Ltd, purchased certain machinery on 1st January 2015, costing Rs.8,000.

On 1st July ,2017,they sold part of it (which originally costs Rs.2,400) for Rs.1,700.The company provides depreciation @10% per annum on fixed instalment system.

Assuming that the company closes its books on 31st December every year, you are required to show the machinery account for the years 2015 to 2018.

23. A company purchased some furniture costing Rs.20,000 on 1st January 2013.They decided to write off depreciation @10%per annum on the diminishing balance annually on 31st December, On 30th September,2014 purchased further furniture items worth Rs.10,000. On 1st July,2015 some furniture items purchased in 2000,which originally cost Rs.2,000,was sold for Rs.1,800
Show the furniture account for the years 2013 to 2016.

24. On 1st July,2024 Nesla Co Ltd purchased a machinery for Rs.24,000 and spent Rs.1,000 for its installation. Show machinery account for the years 2024, 2025 and 2026. The company writes off depreciation @20% per annum on the written down value method. The company closes its books on 31st December each year.

25. On 1st July,2014 H Co Ltd purchased a machinery for Rs.48,000 and spent Rs.2,000 for its installation. Show machinery account for the years 2014,2015 and 2016. The company writes off depreciation @25% per annum on the written down value method. The company closes its books on 31st December each year.

26. Nayak Ltd ,purchased certain machinery on 1st January 2023, costing Rs.16,000.

On 1st July ,2025,they sold part of it (which originally costs Rs.4,800) for Rs.3,400 The company provides depreciation @20% per annum on fixed instalment system.

Assuming that the company closes its books on 31st December every year, you are required to show the machinery account for the years 2023 to 2026.

27. Soman Ltd, purchased certain machinery on 1st January 2015, costing Rs.8,000.
On 1st July ,2017,they sold part of it (which originally costs Rs.2,400) for Rs.1,700.The company provides depreciation @10% per annum on WDV method.
Assuming that the company closes its books on 31st December every year, you are required to show the machinery account for the years 2015 to 2018.
28. A company purchased plant on 1st April 2020 for ₹3,00,000. Depreciation is charged at 15% per annum under the WDV method. Accounts are closed on 31st March every year. Calculate depreciation for two years and show the plant account.
29. On 1st April 2017, a machine was purchased for ₹90,000. Depreciation is charged at 15% per annum under the WDV method. On 31st March 2020, the machine was sold for ₹40,000.
- Calculate depreciation up to the date of sale
 - Prepare machinery a/c
 - Determine profit or loss on sale.