

**DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/
MANAGEMENT/COMMERCIAL PRACTICE, NOVEMBER – 2023**

FINANCIAL ACCOUNTING-I

[Maximum Marks: 75]

[Time: 3 Hours]

PART-A

I. Answer *all* the following questions in one word or one sentence. Each question carries 'one' mark.

(9 x 1 = 9 Marks)

		<small>Module Outcome</small>	<small>Cognitive level</small>
1.	.....denotes personal withdrawals of proprietor.	M1.01	R
2.	.....represents the money invested by the proprietor in business.	M1.01	R
3.	..... is the brief description written below the journal entry.	M1.04	R
4.	A furniture account will indicate..... Balance.	M2.02	R
5.	The .....is a book of final entry.	M2.01	R
6.	..... represents a note sent to the supplier for the value of the goods returned by the business.	M3.02	R
7.	The subdivision of the journal into various books recording transactions of similar nature is called.....	M3.01	R
8.	A credit balance in cash book indicates.....balance.	M4.02	R
9.	Petty cash book is usually kept under.....system.	M4.03	R

PART-B

II. Answer any *eight* questions from the following. Each question carries 'three' marks.

(8 x 3 = 24 Marks)

		<small>Module Outcome</small>	<small>Cognitive level</small>
1.	List out the objectives of accounting.	M1.01	R
2.	State the meaning of accounting entity concept.	M1.02	R
3.	State the rules of debit and credit.	M1.03	R
4.	List out the purpose of preparing trial balance.	M2.04	R
5.	State the need for drawing special journals.	M3.01	R
6.	From the following details prepare purchases return day book for September 2019. Sept 10. Goods returned to Ratna traders. 3 shirts @ ₹ 300 per shirt 1 pant @ ₹700 per pant Less 10% discount Sep 24. Goods returned to Bombay traders 2 trousers @ ₹500 per trouser 4 hat @ ₹100 per hat Less 5% discount	M3.02	U

	Sept 28. Goods returned to Bride Palace 1 fancy lehenga @ ₹2000 per lehenga Less 5% discount.		
7.	State the meaning of journal proper. List out any four transactions entered in journal proper.	M3.03	R
8.	Prepare suitable day book from the following information. 2019 June. 1. Received a cheque towards petty cash ₹100 2. Daily workers' wages ₹29.50 3. Postage stamps ₹7.50 9. Railway freight ₹21.25 13. Pencil ₹5.25 15. Sundry expenses ₹3.20	M4.03	A
9.	Write a note on contra entry and imprest system.	M4.01	R
10.	Enter the following transactions in simple column cash book for December 2018, 1. Cash in hand ₹12500 2. Cash paid to Hari ₹600 3. Purchased goods ₹ 800 4. Cash received from Amit ₹1960 5. Sold goods for cash ₹800 6. Paid to Manish ₹590 9. Paid carriage ₹100 10. Paid salary ₹1000	M4.02	U

PART-C

Answer all questions from the following. Each question carries 'seven' marks.

(6 x 7 = 42 Marks)

Module Outcome Cognitive level

III.	Classify the following into personal account, real account and nominal account. Building, salaries, machinery, Canara bank, Shiva's account carriage account, wages, purchases, cash account, sales account, stock, capital, drawings, prepaid insurance account. OR Journalize the following transactions in books of Sooraj Mart.	M1.03	A
IV.	2020 January . 1. Business started with cash ₹150000 2. Goods purchased from Manisha ₹36000 3. Stationery purchased for cash ₹2200 4. Opened a bank account with SBI for ₹35000 6. Goods sold to Priya ₹16000 7. Received a cheque of ₹16000 from Priya 8. Paid rent ₹2000 11. Cash sale ₹2300 13. Commission received ₹450 16. Purchased furniture for ₹2400	M1.04	U

V.	<p>The following trial balance is prepared incorrectly. You are required to correct it.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;"><u>DEBIT</u></th> <th style="width: 20%; text-align: center;"><u>CREDIT</u></th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td></td> <td style="text-align: right;">2000</td> </tr> <tr> <td>Purchases return</td> <td style="text-align: right;">4000</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">8000</td> <td></td> </tr> <tr> <td>Establishment expenses</td> <td style="text-align: right;">12000</td> <td></td> </tr> <tr> <td>Sales return</td> <td></td> <td style="text-align: right;">8000</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">22000</td> <td></td> </tr> <tr> <td>Carriage outward</td> <td></td> <td style="text-align: right;">2000</td> </tr> <tr> <td>Discount received</td> <td style="text-align: right;">1200</td> <td></td> </tr> <tr> <td>Commission earned</td> <td style="text-align: right;">800</td> <td></td> </tr> <tr> <td>Machinery</td> <td></td> <td style="text-align: right;">20000</td> </tr> <tr> <td>Stock</td> <td></td> <td style="text-align: right;">10000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">8000</td> <td></td> </tr> <tr> <td>Creditors</td> <td></td> <td style="text-align: right;">12000</td> </tr> <tr> <td>Sales</td> <td></td> <td style="text-align: right;">44000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">28000</td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right;">14000</td> <td></td> </tr> <tr> <td>Manufacturing expenses</td> <td></td> <td style="text-align: right;">14000</td> </tr> <tr> <td>Loan from Ravi</td> <td style="text-align: right;">14000</td> <td></td> </tr> <tr> <td>Carriage inward</td> <td style="text-align: right;">1000</td> <td></td> </tr> <tr> <td>Interest on investment</td> <td></td> <td style="text-align: right;">1000</td> </tr> <tr> <td></td> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>113000</u></td> <td style="text-align: center;"><u>113000</u></td> </tr> </tbody> </table> <p style="text-align: center;">OR</p>		<u>DEBIT</u>	<u>CREDIT</u>	Cash		2000	Purchases return	4000		Wages	8000		Establishment expenses	12000		Sales return		8000	Capital	22000		Carriage outward		2000	Discount received	1200		Commission earned	800		Machinery		20000	Stock		10000	Debtors	8000		Creditors		12000	Sales		44000	Purchases	28000		Bank overdraft	14000		Manufacturing expenses		14000	Loan from Ravi	14000		Carriage inward	1000		Interest on investment		1000		-----	-----		<u>113000</u>	<u>113000</u>	M2.03	A
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VI.	State the meaning of ledger. Describe different types of ledgers.	M2.01	R																																																																					
VII.	<p>Prepare suitable day book from the following transactions for August 2019.</p> <ol style="list-style-type: none"> 1. Purchased from Neema electricals 20 TV @ ₹2000 per TV 15 Tape recorder @ ₹12500 per piece Trade discount 20% 5. Bought from Pavan electricals 10 video cassettes @ ₹150 per piece 20 tape recorder @ ₹1650 per piece Trade discount 10% 	M3.02	A																																																																					

VIII.	<p>9. Purchased from Northern electricals 15 stereos @ ₹4000 per piece 20 colour TV @ ₹14500 per piece Trade discount 12.5%</p> <p>10. Purchased from Neema Electricals 10 mini-TV @ ₹1000 per piece 5 colour TV@ ₹12500 per piece Trade discount 20%</p> <p>25. bought from Pavan electricals 20 video cassettes @ ₹150 per piece 25 tape recorder @ ₹1600 per piece. Trade discount 10%.</p> <p style="text-align: center;">OR</p> <p>Enter the following sales on account in sales day book of Anil Furniture Mart.</p> <p>2019</p> <p>April 8. Sold on credit to S.N. College. 12 library chairs @ ₹30 per piece 1 hall stand for ₹150</p> <p>April 15. Sold on credit to Satyapathi 6 dining chairs@ ₹15 per chair 6-bedroom chair@ ₹12 per chair 1 dressing table @ ₹108</p> <p>April 20. Sold to Neat Furnishing Company 20 office chairs @ ₹40 per chair Less 10% discount.</p>	M3.02	U
IX.	<p>Enter the following transaction in double column cash book. 2020 April.</p> <ol style="list-style-type: none"> 1. Cash in hand ₹7500 Bank overdraft ₹3500 2. Paid wages ₹200 3. Cash sales ₹7000 11. Cash deposited into bank ₹4000 12. Goods purchased and paid by cheque ₹2000 13. Paid rent ₹500 14. Drew from bank for personal use ₹400 15. Salary paid ₹1000 <p style="text-align: center;">OR</p>	M4.02	U
X.	<p>State the meaning of cash book. Describe different kinds of cash book showing their formats.</p>	M4.01	U

XI.	Distinguish between book keeping and accounting.	M1.01	U
OR			
XII.	Journalize the following. 2018 May, 1. Gopal started business with cash ₹20000 4. He opened a current account with bank ₹5000 5. Purchased goods on credit from Govind ₹1500 6. Machinery purchased ₹2200 7. Goods sold to Babu ₹3000 8. Amount received from Babu ₹1800 9. Salaries paid ₹2000 10. Rent received ₹2400 11. Bought typewriter for ₹500 12. Returned goods to Govind ₹150 13. Typewriter was stolen 14. Repairs to machinery ₹450.	M1.04	U
XIII.	From the following show the account of Mathew as it would appear in the ledger of Sasi.2003 March, 1. Debit balance b/d ₹2000 2. Bought goods from Mathew ₹3700 3. Returned goods ₹100 to Mathew 4. Sold goods ₹500 to Mathew 5. Received goods returned by Mathew ₹350 6. Paid Mathew ₹2000, discount allowed by him ₹50 7. Purchased goods from Mathew ₹1250.	M2.02	U
OR			
XIV.	Define trail balance. Describe the methods of preparing trail balance.	M2.03	U
