



CENTRE FOR DEVELOPMENT OF IMAGING TECHNOLOGY
(Under Government of Kerala)
CEP EXAMINATION-OCTOBER 2019
Subject: Introduction to Financial Accounting
DCFM

Register No.

Time: 3 Hours

Maximum Marks: 100

I. Fill in the blanks. Answer ALL questions.

(10 x 1 = 10)

1. Recording of Transactions in a Journal is called as _____
2. _____ A/c Dr 14000/-
To Sales A/c 14000/-
(Sale of goods to Nidhi on credit)
3. Those expense which is paid in advance is termed as _____
4. That portion of the profit kept aside for future needs is termed as _____
5. Federal Bank Account comes under the ledger head _____
6. Withdrawal of cash from business for personal use is termed as _____
7. _____ is the value of unsold goods lying in the stores at the end of the accounting period.
8. According to Real Account _____ what comes in.
9. Under _____ entry system only cash transactions are taken into account.
10. The statement prepared with the balances of ledger accounts to test their arithmetical accuracy is called a _____

II. Explain briefly. Answer any TEN questions.

(10 x 4 = 40)

1. Why some accounting systems are called double accounting system?
2. Write short note on suspense account.
3. Find the value of Depreciation.
Original Cost of the Asset Rs100000/-
Scrap Value Rs 10000/-
Estimated Life time 5 yrs
4. What are the causes of Depreciation?
5. List of the main books of original entry.
6. What are source documents?
7. Write short note on deferred revenue expenditure.
8. Briefly explain the term Capital.

9. How can we classify liabilities under Indian GAAP?

10. Prepare a Trial Balance

Capital Rs 120000

Purchases Rs 60000

Furniture Rs 20000

Sales Rs 80000

Cash at bank Rs 50000

Salary Rs 14000

Wages Rs 6000

Bank Loan Rs 50000

Stock 100000

11. State the difference between Capital Reserve and Revenue Reserve.

12. Find the Cost of Goods Sold if

Opening stock Rs 85000/-

Purchases Rs 50000/-

Purchase returns Rs 5000/-

Fuel purchased Rs 2000/-

Closing stock Rs 65000/-

13. What do you mean by Bin card?

III. Answer any FIVE questions. Explain in detail.

(5 x 10 = 50)

1. Journalise the following transactions.

1. Commenced business with cash Rs 175000

2. Goods purchased for cash Rs 75,000/-

3. Sold goods to Ramesh Rs 30,000/-

4. Paid Wages Rs 500/-

5. Sold goods for cash Rs 10,000/-

6. Cash received from Ramesh Rs 29500/-

7. Cartage Paid Rs 1000/-

8. Goods purchased from Sudhir Rs 27000

9. Cash Paid to Sudheer Rs 26700/-

Discount allowed Rs 300/-

10. Paid wages Rs 500/-

2. Describe the Golden Rules of Accounting.
3. What are the factors affecting depreciation?
4. State the Rules of Debit and Credit.
5. Record the following transactions of Mr Prabhu in his cash book.

2019 Jan 1 Commenced business with cash Rs 32000/-
Jan5 Bought Machines for cash Rs6000/-
Jan8 Cash purchase of goods Rs10000/-
Jan10 Cash Received on sales Rs7000/-
Jan12 Received cash from Jai&CO Rs 3200/-
Jan15 Received cash from Maneesh Rs 2000/-
Jan20 Paid to Jaison Rs5000/-
Jan23 Paid salaries Rs500/-
Jan31 Paid Rent Rs2000/-

6. Find the Gross Profit if

Opening stockRs 1,40,000/-
SalesRs2,40,000/-
Purchase Rs 30,000/-
Factory Rent Rs 40000/-
Sales Return Rs 5000/-
Purchase Return Rs 2000/-
Closing stock Rs 60000/-

7. What is FIFO method of valuation of Stock? Explain its merits and demerits.
