

# **COMSATS Institute of Information Technology Abbottabad**

## **Department of Management Sciences**

First Sessional: Spring 2017

Class: BBA 1

Subject: Accounting I

Total Time Allowed: 80 Minutes

Registration #

Date: 18-04-17

Instructor: Zaheer A. Swati

Max Marks: 60

### **SECTION-A**

<b>A.</b> ]	Encircle the most appropri	ate choice (MCQs).		(Marks: 10)			
<i>1</i> .	Which one of the following	system of recording transactions	ction has a dual aspect conc	cept of accounting?			
	(a) Cash system of account	ing	<b>(b)</b> Si	ingle entry system			
	(c) Accrual system of accor	ınting	( <b>d</b> ) D	ouble entry system			
2.	Accounting which recognize	es an event as the transaction	on when cash is received or	paid?			
	(a) Cash basis of accounting	g	(b) Accrual basis of accounting				
	(c) Cost accounting		(d) None of the above				
<i>3</i> .	Which of the following is a	n accounting system in whi	ch events are recorded whe	n they occur?			
	(a) Cash Accounting		(b) Accrual Accounting				
	(c) Both Accrual Accounting	ng and Cash Accounting	(d) None of the	e above			
<i>4</i> .	Ledger is a book of?						
	(a) Original entry	(b) Final entry	(c) Secondary entry	(d) All cash transactions			
5.	When a Liability is reduced	l or decreased, it is recorded	I on the?				
	(a) Right or debit side of th	e account	(b) Left or debit side of	the account			
	(a) Right or debit side of the account (b) Left or debit side of the account (c) Left or credit side of the account (d) Right or credit side of the account			of the account			
<b>6</b> .	The first required step in th	e accounting cycle is?					
	(a) Reversing entries		(b) Journalizing transac	etions in the book of original entry			
	(c) Identification of transac	tions	(d) Posting transactions	3			
7.	Which one of the following	g is called book of original e	ntry?				
	(a) General Journal	(b) General Ledger	(c) Trial Balance (d)	Receipt and Payment Account			
8.	Which of the following acc	ounts normally has credit ba	alance?				
	(a) Wages Outstanding	(b) Motor vehicles	(c) Prepaid Re	nt (d) Return Inwards			
<b>9</b> .	Which of the following is a	lso called "The original boo	ok of entry"?				
	(a) Trial Balance	(b) General Ledger	(c) General Journal	(d) Profit and Loss Account			
<i>10</i> .	If we take goods for own u	se we should?					
	(a) Debit -Sales Account; Credit -Stock Account						
	(b) Debit -Drawings Account; Credit -Purchases Account						
	(c) Debit -Drawings Account; Credit -Stock Account (d) Debit -Purchases Account; Credit -Drawings Account						

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### **SECTION-B**

#### Q1: Prepare general journal entries for the following transactions of March 2017.

- 06: Sold Goods to Khan Brothers Rs. 12,000 and Cash Sales Rs. 5,000
- 13: Owner draws out Rs. 100 from the business bank account for his own use

(10 Marks)

- 17: Unearned sales of Rs. 3,200 earned during the July
- 23: Services are performed and cash of Rs. 2,000 is received.
- 29: Bad Debts during the period was Rs.100

#### **General Journal**

	Account Title and Explanations		Amount (Rs)	
Date			Debit	Credit
		-		
	Total			
	Total			

**General Journal** 

Date 2009		Account Title and Explanations F		Amount (Rs.)	
				Debit	Credit
		Cash		14,000	
July	4	Account Receivable			14,000
		(Cash received from customers)			
	5	Prepaid Rent		6,000	
		Cash			6,000
		(Advance rent paid)			
	7	Cash		1,200	
		Unearned Services Revenue			1,200
		(Payment received in advance by clients)			
	11	Unearned Services Revenue		3,200	
		Services Revenue			3,200
		(Unearned services revenue now earned)			
	14	Note Receivable_ ABC Co.		1,000	
		Cash			1,000
		(Loan granted to ABC company by note)			
	17	Account Receivable		3,000	
		Services Revenue			3,000
		(Billed to customer)			
	24	Cash		1,000	
		Note Payable			1,000
		(Obtained loan from bank by note payable)			
	27	Drawing		100	
		Bank			100
		(Owner personal withdrawal by bank )			
	Total				Rs. 29,500

Account	# 1	Cash Account					Page #
Date	Description	Ref	Amount (Rs.)	Date	Description	Ref	Amount (Rs.)

**Q4.** There are several Mistakes in the Munir (Pvt.) Ltd. Trial Balance. You are requested to identify Errors and make corrected Trial Balance?

			Amount (Rs.)		
S. No	Heads of Accounts	Ref	Debit	Credit	
1	Purchases Return		13,000		
2	Machinery		34,000		
3	Salaries			17,200	
4	Creditors			33,000	
5	Cash in hand		40,000		
6	Carriage Inward		6,000		
7	Rent Received			3,000	
8	Discount Allowed			2,000	
9	Purchases		100,000		
10	Bill Payable			20,000	
11	Debtors		15,000		
12	Carriage Outward			5,000	
13	Owner Equity		53,200		
14	Building			38,000	
15	Sales Return		3,000		
16	Discount Received			14,000	
17	Insurance Expenses		6,000		
18	Sales			130,000	
	Total		Rs. 270,200	Rs. 262,200	

S. No	Heads of Accounts	Ref	Debit	Credit
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
	Total			