



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

A. Encircle the most appropriate choice (MCQs).

(Marks: 10)

1. Which one of the following system of recording transaction has a dual aspect concept of accounting?
(a) Cash system of accounting (b) Single entry system
(c) Accrual system of accounting (d) Double entry system
2. Accounting which recognizes an event as the transaction when cash is received or paid?
(a) Cash basis of accounting (b) Accrual basis of accounting
(c) Cost accounting (d) None of the above
3. Which of the following is an accounting system in which events are recorded when they occur?
(a) Cash Accounting (b) Accrual Accounting
(c) Both Accrual Accounting and Cash Accounting (d) None of the above
4. Ledger is a book of?
(a) Original entry (b) Final entry (c) Secondary entry (d) All cash transactions
5. When a Liability is reduced or decreased, it is recorded on the?
(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
6. The first required step in the accounting cycle is?
(a) Reversing entries (b) Journalizing transactions in the book of original entry
(c) Identification of transactions (d) Posting transactions
7. Which one of the following is called book of original entry?
(a) General Journal (b) General Ledger (c) Trial Balance (d) Receipt and Payment Account
8. Which of the following accounts normally has credit balance?
(a) Wages Outstanding (b) Motor vehicles (c) Prepaid Rent (d) Return Inwards
9. Which of the following is also called "The original book of entry"?
(a) Trial Balance (b) General Ledger (c) General Journal (d) Profit and Loss Account
10. If we take goods for own use 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

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

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			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				