



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 Swati*
Max Marks: 40

SECTION-A

Q1. Encircle the most appropriate choice (MCQs).

(Marks: 10)

1. The accounting system, in which accounting entries are made on the basis of amount having become due for payment or receipt, is known as?
(a) Cash system of accounting (b) Current accounting period
(c) Accrual system of accounting (d) None of the given options
2. Items such as a sales slip, a check, a bill, or invoices are examples of?
(a) Balance sheet accounts (b) Income statement accounts
(c) Cost of goods sold (d) Source documents
3. Of the following account types, which would be increased by a debit?
(a) Liabilities and expenses (b) Assets and equity
(c) Assets and expenses (d) Equity and revenues
4. Which item will appear on the credit side of ledger account?
(a) Cash received (b) Purchases (c) Discount received (d) Rent Expenses
5. Which of the following item is not included in the Cash account?
(a) Purchases of Rs. 10,000 (b) Sales of Rs.5,000
(c) Received cash for Salman Rs. 2,000 (d) Credit sales of Rs. 22,000
6. Sales invoice is a source document that?
(a) Provides support for goods purchased for resale (b) Provides evidence of credit sales
(c) Provides evidence of incurred operating expenses (d) Serves only as a customer receipt
7. Accrued expenses are also called?
(a) Accrued liabilities (b) Expenses incurred but not paid (c) Both A & B (d) None
8. Which one of the following account would usually have a debit balance?
(a) Account Payable (b) Cash (c) Owner Equity (d) Bank Loan
9. Business transactions are recorded?
(a) In chronological order (b) Weekly (c) at the end of the month (d) All of before
10. Which of the following accounts is not increased with a debit?
(a) Sales Discounts (b) Sales Returns and Allowances
(c) Sales Revenue (d) Cost of goods sold

SECTION-B

Q1: Prepare general journal entries for the following transactions for April 2017

07: Starts a business by opening a bank account with Rs. 50,000

14: Received cash from Rehman & Sons Rs. 1,450; allowed him discount of Rs. 50 (10 Marks)

18: Goods costing Rs. 500 was taken away by the proprietor

27: Received Rs. 10,000 from Ali

30: Received advance payment from customers Rs. 1,200, services will be provided in August

General Journal

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

Q3. Prepare Cash Running Balance Ledger Account

(10 Marks)

General Journal

Date	Account Title and Explanations	Ref	Amount (Rs.)	
			Debit	Credit
2009				
July	1	Bank Cash Owner's Equity (Started business with bank and cash)	50,000 10,000	60,000
	6	Stationery Account Payable_ Ink stores (Credit Purchase of stationery)	700	700
	9	Purchases Cash (Purchases with trade discount on cash)	9,000	9,000
	11	Unearned Sales Sales (Unearned sales now earned)	3,200	3,200
	17	Note Receivable Bank Sales (Cash and credit sales)	1,400 400	1,800
	24	Salaries Expenses Cash (Expenses paid)	1,200	1,200
	29	Cash Sales (Cash sales subject to trade discount)	3,600	3,600
	Total			Rs. 79,500

Account # 102		Cash Account			Page # 880
Date	Description	Ref	Dr. Amount	Cr. Amount	Balance

Q4. The following balances are extracted from the books of Anees, Prepare Trial Balance as on 30.6.2014

Building Rs. 320,000	Repairs Rs. 5,400	Stock Rs. 33,000	Insurance premium Rs. 3,300
Account payable Rs. 26,000	Sales Rs. 280,000	Commission Rs. 750	Telephone charges Rs. 6,450
Rent & Taxes Rs. 6,300	Furniture Rs. 10,000	Purchases Rs. 155,000	Discount earned Rs. 11,100
Loan from Sidra Rs. 50,000	Salaries Rs. 70,600	Reserve fund Rs. 5,900	Discount allowed Rs. 650
Note receivable Rs. 8,600	Drawings Rs. 15,000	Bad debts Rs. 1,350	Bills payable Rs. 6,000
Owner's Equity Rs. 470,200	Machinery Rs. 158,800	Cash in hand Rs. 6,000	Account receivable Rs. 48,000

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			Dr	Cr
Total				