

ACCOUNTSTEACHER.COM
PRE SEMESTER SAMPLE PAPER 2006
PAPER # 1

1. Define assets, liability, capital and revenue 2
2. Explain (1) business entity concept 2
(2) going concern concept
3. What is meant by opening entry? 2
4. Pass opening entry for the following and show how it will appear in the ledger.
1/4/96 cash balance Rs.15,000 creditors Rs.5000 stock in hand Rs.6000 and furniture
Rs.4000. 2
5. Pass journal entries for the following 2
 1. Goods worth Rs.2,000 distributed as free samples
 2. Goods taken by proprietor for personal use 300
 3. Paid school fees for the proprietor's son 500
 4. Bombay furniture shop had furniture worth Rs.25,000 for sale. *They took one desk and chair costing Rs.2,000 for the manger's use.* Pass entry for the transaction given in italics.
6. Calculate the cost of goods sold from the following:
Opening stock of goods Rs.5,000
Purchase of goods Rs.20,000
Goods returned to suppliers Rs.3,000
Closing stock of goods Rs.4,000 2
7. What are the steps in accounting process 4
8. Develop accounting equation from the following transactions: 4
 1. Mr. Ajith started business with cash Rs.20,000 and furniture worth Rs.2,000
 2. He paid Rent Rs,1000
 3. He purchased goods worth for Rs.3,000 from David
 4. Paid David Rs.1400 in settlement of Rs.1,500