

**ACCOUNTSTEACHER.COM**  
**PRE SEMESTER SAMPLE PAPER 2006**  
**PAPER # 2**

1. Classify the following accounts into **A**ssets, **L**iabilitys, **C**apital, **R**evenue and **E**xpense by indicating the first letter of the class against the item
- Cash
  - Furniture
  - Wages
  - Outstanding wages
  - Drawings
  - Sales
  - Buildings
  - Debtors
  - Creditors
- 2
2. Explain with one example each (1) Principle of materiality  
(2) Principle of conservatism
- 2
3. Write two points of difference between trade discount and cash discount
- 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
- 1. Goods worth Rs.2,000 distributed as free samples
  - 2. Goods taken by proprietor for personal use Rs.5,000
  - 3. Purchased car for the owner's personal use rs.50,000
  - 4. Goods listed at Rs.3,000 (cost Rs.2,500) lost by fire
- 2
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:
- 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.1,400 in settlement of Rs.1,500
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