**Recording of transaction**

**Answer the following**

1. **State the three fundamental steps in the accounting process.**
2. **Why is the evidence provided by source documents important to accounting?**

**3. Should a transaction be first recorded in a journal or ledger? Why?**

**4. Are debits or credits listed first in journal entries? Are debits or credits indented?**

**5. Why are some accounting systems called double accounting systems?**

**6. Give a specimen of an account. 2015-16 80 Accountancy**

**7. Why are the rules of debit and credit same for both liability and capital?**

**Select Right Answer:**

**1. Voucher is prepared for:**

**(i) Cash received and paid**

**(ii) Cash/Credit sales**

**(iii) Cash/Credit purchase**

**(iv) All of the above**

**2. Voucher is prepared from:**

**(i) Documentary evidence**

**(ii) Journal entry**

**(iii) Ledger account**

**(iv) All of the above**

**3. How many sides does an account have?**

**(i) Two (ii) Three (iii) one (iv) None of These**

**4. A purchase of machine for cash should be debited to: (i) Cash account**

**(ii) Machine account**

**(iii) Purchase account**

**(iv) None of these**

**5. Which of the following is correct?**

**(i) Liabilities = Assets + Capital**

**(ii) Assets = Liabilities – Capital**

**(iii) Capital = Assets – Liabilities**

**(iv) Capital = Assets + Liabilities.**

**6. Cash withdrawn by the Proprietor should be credited to: (i) Drawings account**

**(ii) Capital account**

**(iii) Profit and loss account**

**(iv) Cash account**

**7. Find the correct statement:**

**(i) Credit a decrease in assets**

**(ii) Credit the increase in expenses**

**(iii) Debit the increase in revenue**

**(iv) Credit the increase in capital**

**8. The book in which all accounts are maintained is known as: (i) Cash Book**

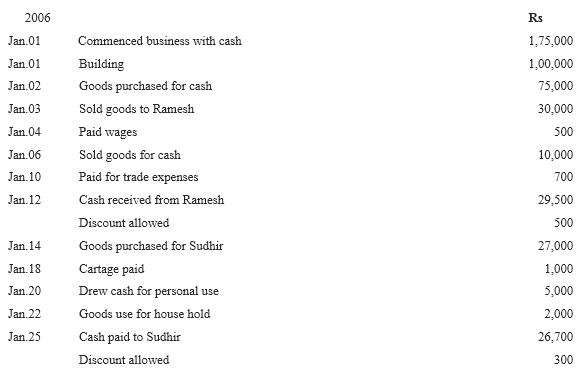
**(ii) Journal**

**(iii) Purchases Book**

**(iv) Ledger**

**9. Recording of transaction in the Journal is called:**

**(i) Casting (ii) Posting (iii) Journalising**

**10.  Enter the following Transactions in the Journal of Mudit :**  


**11. Soraj Mart furnishes the following information : Transactions during the month of April, 2014 are as under : Date Details 01.4.2014**

**Business started with cash Rs. 1,50,000.**

**01.4.2014 Goods purchased form Manisha Rs. 36,000.**

**01.4.2014 Stationery purchased for cash Rs. 2,200.**

**02.4.2014 Open a bank account with SBI for Rs. 35,000.**

**02.4.2014 Goods sold to Priya for Rs. 16,000.**

**03.4.2014 Received a cheque of Rs. 16,000 from Priya.**

**05.4.2014 Sold goods to Nidhi Rs. 14,000.**

**08.4.2014 Nidhi pays Rs. 14,000 cash.**

**10.4.2014 Purchased goods for Rs. 20,000 on credit from Ritu.**

**14.4.2014 Insurance paid by cheque Rs. 6,000.**

**18.4.2014 Paid rent Rs. 2,000.**

**20.4.2014 Goods costing Rs. 1,500 given as charity.**

**24.4.2014 Purchased office furniture for Rs. 11,200.**

**29.4.2014 Cash withdrawn for household purposes Rs. 5000.**

**30.4.2014 Interest received cash Rs.1,200.**

**30.4.2014 Cash sales Rs.2,300.**

**30.4.2014 Commission paid Rs. 3,000 by cehque.**

**30.4.2014 Telephone bill paid by cheque Rs. 2,000.**

**30.4.2014 Payment of salaries in cash Rs. 12,000.**

**Journalise the transactions.**

**Journalise the following transactions: 2005 Rs.**

**Dec. 01 Hema started business with cash 1,00,000**

**Dec. 02 Open a bank account with SBI 30,000**

**Dec. 04 Purchased goods from Ashu 20,000**

**Dec.06 Sold goods to Rahul for cash 15,000**

**Dec.10 Bought goods from Tara for cash 40,000**

**Dec.13 Sold goods to Suman 20,000**

**Dec.16 Received cheque from Suman 19,500**

**Discount allowed 500**

**Dec.20 Cheque given to Ashu on account 10,000**

**Dec.22 Rent paid by cheque 2,000**

**Dec.23 Deposited into bank 16,000**

**Dec.25 Machine purchased from Parigya 10,000**

**Dec.26 Trade expenses 2,000**

**Dec.28 Cheque issued to Parigya 10,000**

**Dec.29 Paid telephone expenses by cheque 1,200**

**Dec.31 Paid salary 4,500**