# SET- 1

Very short answer.

1. Write any two objectives of accounting.
⇒ The two objective of accounting are:
i. To maintain records
ii. To ascertain profit or loss.

2. Define materiality principle.
⇒ Materiality principle states that an accountant must be sure to include and report all the material items in the financial statements.

3. Define Nepal accounting standards.
⇒ Nepal accounting standards are the written policy documents issued by Nepal Accounting Standard board.

4. List out the modern banking system
⇒ The modern banking system are:
i. ATM card
ii. Debit card
iii. Credit card.

5. What is adjusting entry?
⇒ The entrys passed for necessary adjustments and helps to realise and calculate the accurate amount of incomes or expenses incurred during one year period of time is called adjusting entry.

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5. What is adjusting entry?
=> The entrys passed for necessary adjustments and helps to realise and calculate the accurate amount of incomes or expenses incurred during one year period of time is called adjusting entry,

6. Define the error of omission with example.
=> The errors committed by not recording a transaction either in the book of original entry or in the ledger book are called erros of omission. Eg:- complete omission, partial omission.

7. what is reserve?
=> A reserve is a part of the profit set aside to meet future contingencies and losses. Reserve is used to meet the unexpected liabilities and contingencies.

8. Define capital profit with examples.
=> The amount of profit earned by the business from the sale of its assets, Shares and debentures is capital profit.
Example of capital profit are

9. What is New Government Accounting System of Nepal?
=> The New Goverment Accounting system is the present accounting system which keeps systematic records of all revenues and expenditure of government offices.

10. What is budget sheet?
⇒ Budget sheet is the budget, budget realese and budget expenditure of operating office.

11. What is Treasury Single Account used in new government accounting system in Nepal?

12A) Explain the ethics in accounting in short.
⇒ The guidelines, principles and specific standards to follow while accounting is called ethics in accounting and some ethics are mentioned below.

Integrity — It is a state of truthfullness, honesty and accuracy which involves straight forwardness and commitment in accounting work by following accounting principles insted of personal gain.

Objectivity — objectivity is a state of independence and neutrality in accounting work.

Confidentiality — confidentiality is the protection of accounting information.

| 12 B | Transactions | Assets | = | capital | + | liabilities |
| --- | --- | --- | --- | --- | --- | --- |
| a. | Started business with cash | 500000 | | 500000 | | |
| | Begining equation | 500000 | | 500000 | | |
| b. | Goods purchased | 60000 | | | | 60000 |

## Triple Coloumn cash book

(3A)

Dr | | | | | | | | | | | Cr

| Date | Particular | LF | cash | Bank | Discount | Date | Particular | LF | cash | Bank | Dis |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11/1 | To balance b/d | | 80000 | | | 11/1 | By balance b/d | | | 125000 | |
| 11/5 | to kabita a/c | | | 20000 | 2000 | 11/10 | By bank a/c | © | 5000 | | |
| 11/10 | To cash a/c | © | | 5000 | | | | | | | |
| 11/25 | To rent received | | 8000 | | | | | | | | |
| 11/30 | To balance c/d | | | 55000 | | 11/30 | By balance c/d | | 38000 | | |
| | | | 88000 | 125000 | 2000 | | | | 88000 | 125000 | |
| 12/1 | to balance b/d | | | | | 12/1 | By balance b/d | | | 55000 | |

13B)

Sales Book

| Date | particulars | Invoice | Lf | Amount detail | Amount total |
|---|---|---|---|---|---|
| 07/01 | To pradeep | | | | |
| | 100 benches each @500 | | | 50000 | |
| | 50 chairs @ 800 each | | | 40000 | |
| | less 10 %. Trade discount | | | 19000 | 81000 |
| 07/10 | To Gita traders | | | | |
| | 10 tea tables @3000 | | | 30000 | |
| | less - 10 % discount | | | (3000) | 27000 |
| | 10 Sofa each @ 15000 | | | | 150000 |
| | | | | | 177000 |
| 7 | Total | | | | 258000 |

14.

| Particulars | Details | Amount |
|---|---|---|
| Overdraft as per cash book | | (30000) |
| Add. | | |
| d. credit Eft for dividendincome | 10000 | |
| f. coustomer directly deposited into bank | 25000 | 35000 |
| less. | | |
| c. Debit EfT | | (3000) |
| Adjusted balance as per cashbook | | 2000 |
| Overdraft as per passbook | | (28000) |
| Add | | |
| b. Deposit intrasit | | 40000 |
| less. | | |
| e. outstanding cheque | | (10000) |
| Adjusted balance as per passbook | | 2000 |

15 A) Working Note

a. correct Sntry | Wrong entry

purchase a/c . . Dr × Sales a/c . . . Dr
To Hari a/c | To Hari a/c

b. wages exp a/c . . Dr × Cash a/c . . . Dr
To cash a/c | To Ram a/c

Entries for rectification

| SN | particulars | Lf | Debit | credit |
|---|---|---|---|---|
| a | purchase a/c . . Dr | | 10000 | |
| | Sales a/c . . Dr | | 10000. | |
| | To Hari a/c | | | |
| | (Being error rectified) | | | 20000 |
| b. | wages a/c . . Dr | | 20000 | |
| | To Ram a/c | | | |
| | (Being error rectified) | | | 20000 |
| c. | cash a/c . . . Dr | | 9000 | |
| | To Rent a/c | | | |
| | (Being error rectified | | | 9000 |

B.

Provision for doubtful debt

Dr | | | | | Cr
--- | --- | --- | --- | --- | ---
| particulars | ₹ | Amount | particulars | ₹ | Amount |
| To. debtors a/c | | 2000 | By balance b/d | | 3000 |
| | | | By estimated bad debt a/c | | 5000 |
| To balance c/d | | 6000 | | | |
| | | 8000 | | | 8000 |
| | | | By balance b/d | | 6000 |

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16.

Working Note

| Machines | P. Date | cost | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| 1st | July 1, 2018 | 70000 | 3500 | 6650 | 5985 |
| 2nd | Jan 1, 2019 | 40000 | x | 4000 | 3600 |
| 3rd | Dec 31st 2020 | 35000 | x | x | x |

Book value = 36000 - 3100 = 32400

SP = 32400 - 6400 = 26000

| Date | particulars | Amount | Date | particulars | Amount |
|---|---|---|---|---|---|
| 2018/7/01 | To bank a/c ① | 70000 | 2018/12/31 | By dep a/c ① | 35000 |
| | | | 2018/12/31 | By balance c/d | 66500 |
| | | 70000 | | | 70000 |
| 2019/1/1 | To balance b/d | 66500 | 2019/12/31 | By dep a/c (1+2) | 10650 |
| 2019/1/1 | To bank a/c ② | 40000 | 2019/12/31 | By balance c/d | 95850 |
| | | 106500 | | | 106500 |
| 2020/1/1 | To balance b/d | 95850 | 2020/12/31 | By Bank a/c ① | 2600 |
| 2020/3/12 | To bank a/c ③ | 35000 | 2020/12/31 | By loss on sales | 6400 |
| | | | 2020/12/31 | By dep a/c (1+2) | 9585 |
| | | | 2020/12/31 | By balance c/d | 88865 |
| | | 130850 | | | 130850 |
| 2021/1/1 | To balance b/d | 88865 | | | |

16.

Working Note

| Machines | P. Date | cost | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| 1st | July 1, 2018 | 70000 | 3500 | 6650 | 5985 |
| 2nd | Jan 1, 2019 | 40000 | x | 4000 | 3600 |
| 3rd | Dec 31st 2020 | 35000 | x | x | x |

Book value = 36000 - 3100 = 32400

SP = 32400 - 6400 = 26000

| Date | particulars | Amount | Date | particulars | Amount |
|---|---|---|---|---|---|
| 2018/7/01 | To bank a/c (1) | 70000 | 2018/12/31 | By dep a/c (1) | 35000 |
| | | | 2018/12/31 | By balance c/d | 66500 |
| | | 70000 | | | 70000 |
| 2019/1/1 | To balance b/d | 66500 | 2019/12/31 | By dep a/c (1+2) | 10650 |
| 2019/1/1 | To bank a/c (2) | 40000 | 2019/12/31 | By balance c/d | 95850 |
| | | 106500 | | | 106500 |
| 2020/1/1 | To balance b/d | 95850 | 2020/12/31 | By Bank a/c (1) | 2600 |
| 2020/3/12 | To bank a/c (3) | 35000 | 2020/12/31 | By loss on sales | 6400 |
| | | | 2020/12/31 | By dep a/c (1+2) | 9585 |
| | | | 2020/12/31 | By balance c/d | 88865 |
| | | 130850 | | | 130850 |
| 2021/1/1 | To balance b/d | 88865 | | | |

17)

Trading and profit and loss a/c
for the year ended 31st Dec, 2016

| particulars | Amount | particulars | Amount |
|---|---|---|---|
| To purchase | 250000 | By Sales | 500000 |
| To opening stock | 35000 | | |
| To wages 45000 | | | |
| Add: outstanding 5000 | 50000 | | |
| To carriage inward | 14000 | | |
| To Royalty | 12000 | | |
| To gross profit | 139000 | | |
| | 500000 | | 500000 |
| To General expenses | 9000 | | |
| To Salary expenses | 33000 | By gross profit a/c | 139000 |
| To advertising | 15000 | | |
| To insurance | 18000 | By commission | 20000 |
| To interest on loan | 5000 | | |
| To Net profit | 84000 | | |
| | 159000 | | 159000 |

Date
Page

19A)

Statement of affairs
as on 31st chaitra, 2017

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| creditors | 35000 | cash | 40000 |
| 10% Bank loan | 50000 | premises 250000 | |
| Ds on bank loan | 2500 | less. Dep (25000) | 225000 |
| closing capital | 297500 | stock in trade | 20000 |
| | | ~~Sto~~ plant | 100000 |
| | 385000 | | 385000 |

Profit and loss
for the year ended 2017

| Particulars | Amount |
|---|---|
| closing capital | 297500 |
| Add. Annual drawing | 24000 |
| | 321500 |
| less. Aditional capital | 20000 |
| | 301500 |
| less. opening balance | 140000 |
| Profit of the year | 161500 |

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19A)

Statement of affairs
as on 31st chaitra, 2017

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| Creditors | 35000 | cash | 40000 |
| 10% Bank loan | 50000 | premises 250000 | |
| I/s on bank loan | 2500 | less: Dep (25000) | 225000 |
| closing capital | 297500 | stock in trade | 20000 |
| | | ~~sto~~ plant | 100000 |
| | 385000 | | 385000 |

Profit and loss
for the year ended 2017

| Particulars | Amount |
|---|---|
| Closing capital | 297500 |
| Add : Annual drawing | 24000 |
| | 321500 |
| less : Aditional capital | 20000 |
| | 301500 |
| less : opening balance | 140000 |
| Profit of the year | 161500 |

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20)

Journal Entries.

| Date | particulars | lf | Debit | credit |
|---|---|---|---|---|
| may 1 | cash a/c ... Dr | | 150000 | |
| | To capital a/c | | | 150000 |
| | (Being business started) | | | ~~150000~~ |
| may 5 | furniture a/c ... Dr | | 10000 | |
| | To Soniya a/c | | | 10000 |
| | [Being furniture purchased from Soniya] | | | |
| may 12 | Salary expenses a/c .. Dr | | 10000 | |
| | To cash a/c | | | 10000 |
| | (Being salary paid) | | | |
| may 20 | Soniya a/c ... Dr | | 4000 | |
| | To cash a/c | | | 4000 |
| | (Being cash paid to Soniya) | | | |
| may 24 | Drawing a/c ... Dr | | 5000 | |
| | To cash a/c | | | 5000 |
| | (Being cash withdrawn) | | | |
| may 28 | Soniya a/c .. Dr | | 6000 | |
| | To Discount received a/c | | | 1000 |
| | To cash a/c | | | 5000 |
| | (Being paid to Soniya in full settlement | | | |

## Capital account

| Date | particular | J.f | Amount | Date | particular | J.f | Amount |
|---|---|---|---|---|---|---|---|
| may 30 | TO balance c/d | | 150000 | may 1 | By cash a/c | | 150000 |
| | | | 150000 | | | | 150000 |
| | | | | Jun 1 | By balance b/d | | 150000 |

## Cash Account

| Date | particular | J.f | Amount | Date | particulars | J.f | Amount |
|---|---|---|---|---|---|---|---|
| may 1 | TO capital a/c | | 150000 | may 12 | By salary a/c | | 10000 |
| | | | | may 20 | By Soniya a/c | | 4000 |
| | | | | may 24 | By drawing a/c | | 5000 |
| | | | | may 28 | By Soniya a/c | | 6000 |
| | | | | may 30 | By balance c/d | | 126000 |
| | | | 150000 | | | | 150000 |
| June 1 | TO balance c/d | | 126000 | | | | |

## furniture account

| Date | particular | J.f | Amount | Date | particulars | J.f | Amount |
|---|---|---|---|---|---|---|---|
| may 5 | TO Soniya a/c | | 10000 | may 30 | By balance c/d | | 10000 |
| | | | 10000 | | | | 10000 |
| June 1 | ~~By~~ TO balance b/d | | 10000 | | | | |

## Drawing account

| Date | particulars | J.f | Amount | Date | particulars | J.f | Amount |
|---|---|---|---|---|---|---|---|
| may 24 | TO cash a/c | | 5000 | may 30 | By balance c/d | | 5000 |
| | | | 5000 | | | | 5000 |
| June 1 | TO balance b/d | | 5000 | | | | |

## Soniya account

| Date | particular | Jf | Amount | Date | particular | Jf | Amount |
|---|---|---|---|---|---|---|---|
| may 10 | To cash a/c | | 4000 | may 5 | By furniture a/c | | 10000 |
| may 21 | to discount received | | 1000 | | | | |
| may 28 | to cash a/c | | 5000 | | | | |
| | | | 10000 | | | | 10000 |

## Salary Account

| Date | particular | Jf | Amount | Date | particular | Jf | Amount |
|---|---|---|---|---|---|---|---|
| may 12 | To cash a/c | | 10000 | may 30 | By balance c/d | | 10000 |
| | | | 10000 | | | | 10000 |
| June 1 | To balance b/d | | 10000 | | | | |

## Discount recived account

| Date | particular | Jf | Amount | Date | particular | Jf | Amount |
|---|---|---|---|---|---|---|---|
| may 30 | To balance c/d | | 1000 | may 21 | By Soniya a/c | | 1000 |
| | | | 1000 | | | | 1000 |
| | | | | June 1 | By balance b/d | | 1000 |

Trial balance
AS on may 31st

| SN | Particulars | Debit (Rs) | credit (Rs) |
|---|---|---|---|
| 1 | capital | | 150000 |
| 2 | cash | 126000 | |
| 3 | furniture | 10000 | |
| 4 | salary | 10000 | |
| 5 | soniya | | |
| 6 | Drawing | 5000 | |
| 7. | Discount recieved | | 1000 |
| | | 151000 | 151000 |

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# SET - 2

1:) An act of collecting, recording financial transaction classifying and summarizing the results in significance manner and analyzing and interpreting the result is called accounting.

2:) The concept of money measurement states that only those transactions and happenings in an organization, which can be expressed in terms of money are to be recorded in the book of account.

3:) A nominal account is an account that is used during an accounting period to sumarizing the cash coming into the company and being paid out of the company for that period of time Example. product revenue, the cost of good sold etc.

4:) Trade discount is the amount by which a manufacture reduces the retail price of a product when it sells ar reseller rather to the end customer.

5:) The two reasons for the dishonour of the cheque are:

- The order or crossed cheques are transfered without propor endorsement and delivery.

→

- The date is not written, written in correctly date is given of three months before or advance date is given.

6) Journal proper is a book of original entry in which only certain type of financial transactions of a business are recorded in a certain order.

7) Any two objectives of reserve are:
- If company earns profit, then it creates or transfer reserve.
- It is created for unexpected loss, liability or expenses of future.

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Date
Page

A
12-) The three features of double entry book keeping system are:-

- Recording of dual aspect.
Double entry system recognizes that entry transactions has two aspects. If business makes a transaction, the business will be either benift receiver or benefit giver. Double entry system records the transactios showing double effect.

- use of debit and credit.
Every financial transactions should be recorded in two folded side i.e debit and credit side. Generally, befiift taking is debited and benefit sacrificing is credited

- Equal effect amount.
Double entry system shows equal effect of each ~~of~~ the two aspects of transactios i.e for every debit there is corresponding credit or vice versa. The equal effect amont helps to maintain the accuracy and reliable in accounting standard and norms.

# Accounting equation

| SN. | Particulars | Assets | = | Capital | + | liabilities |
|---|---|---|---|---|---|---|
| a. | commenced a business with cash | 20000 | | 20000 | | |
| | Initial equation | 20000 | | 20000 | | 0 |
| b. | Salary paid | (4000) | | (4000) | | |
| | New equation | 16000 | | 16000 | | 0 |
| c. | purchased furniture on credit | 10000 | | | | 10000 |
| | New equation | 26000 | | 16000 | | 10000 |
| d. | Goods Sold | (5000) | | | | |
| | | 5000 | | | | |
| | final equation | 26000 | = | 16000 | + | 10000 |

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13)

Journal Entries

| Date | particulars | Lf | Debit | credit |
|---|---|---|---|---|
| 1-1 | cash a/c ... Dr | | 100000 | |
| | furniture a/c ... Dr | | 50000 | |
| | To capital a/c | | | 150000 |
| | (Being started business with cash and furniture) | | | |
| 1-2 | furniture a/c ... Dr | | 75000 | |
| | To Ram's a/c | | | 75000 |
| | (Being furniture purchased from Ram). | | | |
| 1-3 | Ram a/c ... Dr | | 75000 | |
| | To Discount received a/c | | | 7500 |
| | To cash a/c | | | 67500 |
| | (Being Ram's account settled) | | | |

Rams's account

| Date | particulars | Lf | Amount | Date | particulars | Lf | Amount |
|---|---|---|---|---|---|---|---|
| 1-3 | To discount a/c | | 7500 | 1-2 | By furniture a/c | | 10000 |
| 1-3 | To cash a/c | | 67500 | 1-30 | By Balance c/d | | 65000 |
| | | | 75000 | | | | 75000 |
| 2-1 | To balance b/d | | 65000 | | | | |

14)

Bank Reconcilation statement
as on 30th march, 2021

| Particulars | Details | Total. |
|---|---|---|
| Balance as per cash book | | 90000 |
| Add. | | |
| c. cheque issued but not presented for payment. | 8000 | |
| b. A debtor directly depolited into bank | 3000 | |
| e. Amount was credited by bank | 1200 | 12200 |
| less. | | |
| b. cheque sent in bank is Rs. 15000 but bank only credited 10000 | 5000 | |
| f. Bank changes debited in pass book. | 200 | (52000) |
| Balance as per pass book | | 97000 |

15.

A.

ABC company L.T.D
Adjusted trial balance
As on 31st Ashadh

| Particulars | Unadjusted T.B | | Adjustment | | Adjusted TB | |
|---|---|---|---|---|---|---|
| | Dr | Cr | Dr | Cr | Dr | Cr |
| Capital | | 150000 | | | | 150000 |
| Revenue | | 400000 | | | | 400000 |
| long term loan | | 125000 | | | | 125000 |
| Sundry creditor | | 25000 | | | | 25000 |
| cash in hand | 20000 | | | | 20000 | |
| Sundry debtors | 30000 | | | | 30000 | |
| fixed assets | 350000 | | | 30000 | 320000 | |
| Rent | 100000 | | | | 100000 | |
| purchas and wages | 200000 | | 20000 | | 220000 | |
| Adjustments, | | | | | | |
| Dep on fixed assets | | | 30000 | | 30000 | |
| wages payable | | | | 20000 | | 20000 |
| closing stock | | | 35000 | 35000 | 35000 | 35000 |
| Total. | 700000 | 700000 | 85000 | 85000 | 755000 | 755000 |

15
B) Journal Entries

| Date | particulars | Jf | Debit | credit |
|---|---|---|---|---|
| | Estimated bad debts a/c .. Dr | | 4000 | |
| | To provision for bad debt a/c | | | 4000 |
| | (Being provision created for bad debt) | | | |

provision for bad debt

| particular | Amount | particular | Amount |
|---|---|---|---|
| To balance b/d | 10000 | By bad debt b/d | 6000 |
| | | By bad debt estimated expen a/c | 4000 |
| | 10000 | | 10000 |
| | | By balance b/d | 10000 |

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16.

Working note.

Book Value = 72000 - 7200
= 64800

profit/loss = Bank Value - Selling price
= 64800 - 60000
= 4800

machinary account.

| Date | particular | Amount | Date | particular | Amount |
|---|---|---|---|---|---|
| 1.0.017 | To balance b/d | 80000 | 31.12.017 | By depri.(I+II) | 9500 |
| 6.1.017 | to Bank a/c | 30000 | 31.12.017 | By balance c/d | 100500 |
| | | 110000 | | | 110000 |
| 1.0.98 | To balance b/d | 100500 | 31.12.018 | By dep(I+II) | 7200 |
| | | | 31.12.018 | By loss on sales | 4800 |
| | | | 31.12.018 | By bank a/c(I) | 60000 |
| | | | 31.12.018 | By balance c/d | 16500 |
| | | 100500 | | | 100500 |
| 1.1.019 | To Balance b/d | 16500 | 31.12.019 | By dep a/c | 8525 |
| 1.1.019 | To bank a/c | 50000 | 31.12.019 | By balance c/d | 57975 |
| | | 66500 | | | 66500 |
| 1.1.2020 | To balance b/d | 57975 | | | |

17)

Trading and profit and loss a/c
for the year ended Ashadh 2076.

| particulars | Amount | particulars | Amount |
| --- | --- | --- | --- |
| To opening stock | 175000 | By sales | 600000 |
| To purchase | 325000 | By closing stock | 170000 |
| To wages | 50000 | | |
| To Gross profit | 220000 | | |
| | 770000 | | 770000 |
| To salaries | 75000 | By gross profit | 22000 |
| To Advertisement | 10000 | By commission | 4000 |
| To Interst paid | 3000 | By provision for bad debt | 3000 |
| To Bad debt | 10000 | | |
| To insurance | 3000 | | |
| To Net profit | 126000 | | |
| | 227000 | | 227000 |

19.

## Statement of affairs
## As on 31st Baisakh 2076.

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| Accounts payable | 50000 | Investory | 60000 |
| Advance Income | 10000 | Bank | 30000 |
| closing capital | 55000 | prepaid. | 25000 |
| | 115000 | | 115000 |

## Statement of p/l
## for the year ended 2076.

| Particulars | Amount |
|---|---|
| closing capital | 55000 |
| Add. Drawing | 25000 |
| Adjusted capital | 80000 |
| less. opening capital | (50000) |
| profit for the year | 50000 |

21)

## Journal entries

| Date | particulars | J.f | Debit | Credit. |
|---|---|---|---|---|
| 5/1 | Cash a/c - - Dr | | 100000 | |
| | Bank a/c - - - Dr | | 50000 | |
| | To Capital a/C | | | 150000 |
| | (Being business started) | | | |
| 5/5 | Bank a/c . . . Dr | | 70000 | |
| | To cash a/c | | | 70000 |
| | (Being cash Deposited into bank) | | | |
| 5/A | Cash a/c. - - . Dr | | 40000 | |
| | To Bank a/c | | | 40000 |
| | (Being cash with drawn) | | | |
| 5/10 | Drawing a/c - - . Dr | | 50000 | |
| | To Bank a/c | | | 50000 |
| | (Being cash with drawn) | | | |

## Capital account.

| Date | particulars | J.f | Amount | Date | particular | J.f | Amount |
|---|---|---|---|---|---|---|---|
| 5/30 | To balance c/d | | 150000 | 5/1 | By Cash a/c | | 100000 |
| | | | | 5/1 | By bank a/c | | 50000 |
| | | | 150000 | | | | 150000 |
| | | | | b/d | By balance b/d | | 150000 |

Cash account

| Date | particular | Jf | Amount | Date | Particular | Jf | Amount |
|---|---|---|---|---|---|---|---|
| 5/1 | To capital a/c | | 100000 | 5/5 | By bank a/c | | 70000 |
| 5/7 | To Bank a/c | | 40000 | 5/30 | By balance c/d | | 70000 |
| | | | 140000 | | | | 140000 |
| 6/1 | To Balance b/d | | 70000 | | | | |

Bank account.

| Date | particular | Amount | Date | particulars | Jf | Amount |
|---|---|---|---|---|---|---|
| 5/1 | To capital a/c | 50000 | 5/7 | By cash a/c | | 40000 |
| 5/5 | To Cash a/c | 70000 | 5/10 | By drawing a/c | | 50000 |
| | | | 5/30 | By balance c/d | | 30000 |
| | | 120000 | | | | 120000 |
| 6/1 | To balance b/d | 30000 | | | | |

Drawing Account.

| Date | particulars | Jf | Amount | Date | particular | Jf | Amount |
|---|---|---|---|---|---|---|---|
| 5/10 | To Bank a/c | | 50000 | 5/30 | By balance c/d | | 50000 |
| | | | 50000 | | | | 50000 |
| 6/1 | To Balance b/d | | 50000 | | | | |

Trial Balance.

| SN. | particulars | Debit | credit |
|---|---|---|---|
| 1 | Capital | | 150000 |
| 2 | Cash | 70000 | |
| 3 | Bank | 30000 | |
| 4 | Drawing | 50000 | |
| | total | 150000 | 150000 |

Date ____
Page ____

# SET-3

1-> The Branchas of accounting are:-
- financial accounting.
- management accounting.
- cost accounting.

2-> The two objective of book-keeping are:-
- To maintain records.
- To ascertain profit or loss.

3-> An accounting period is a period of time that covers certain accounting functions, which can be either a calender or fiscal year, but also a week, month or quarter etc.

4-> The two objectives of trial balance are:-
- To check the arithematical accuracy.
- To find out the errors and frauds.

5-> Endorsement of cheque is the act of giving Signature usually on the back of the cheque for the purchase of transfering it to somebody else.

6-> Error of commission is the error that is committed in the books of account in terms of arithematical Value that results overcast and undercast.

7-) A certain sum of fund separated from the profit to meet the expected loss, liability or expenses is called provision.

8-) The difference between capital and revenue receipt is that capital receipt is the receipt of non-recurring nature which either creates the liability of the company or reduces the company's assets whereas revenue recepits are the recipts of recurring nature and are reported in the statement of income of the company

Date
Page

12)

A) NFRS is the principle based a high quality standard which is developed as a common global launage of accounting and reporting for business affairs in a way the financial statements are understandable and comparable with in Nepal.

B) Accounting Equation.

| SN. | Particulars | Assets | = | capital | + | liabilities |
|---|---|---|---|---|---|---|
| a. | Standard business with | 300000 | | | | |
| | cash and equipment | 50000 | | 350000 | | |
| | Begining equation | 350000 | = | 350000 | + | 0 |
| b. | purchased machinary | 30000 | | | | |
| | | (30000) | | | | |
| | New equation | 350000 | = | 350000 | + | 0 |
| c. | paid Salary | (8000) | | (8000) | | |
| | New equation | 342000 | = | 342000 | + | 0 |
| d. | sold goods to Nita and | (20000) | | | | |
| | recied partialy | 8000 | | | | |
| | | 12000 | | | | |
| | final equation | 342000 | = | 342000 | + | 0 |

19) A) Dr

Double coloumn cash Book

| Date | particular | lf | cash | Bank | Date | particular | lf | cash | Bank |
|---|---|---|---|---|---|---|---|---|---|
| march 1 | To Balance b/d | | 150000 | 50000 | march 5 | By Bank a/c | ⓒ | 30000 | |
| march 5 | To cash a/c | ⓒ | | 30000 | march 10 | By rent a/c | | | 50 |
| march 25 | To Divyangee a/c | | 18000 | | march 31 | By balance c/d | | 138000 | 75 |
| | | | 168000 | 86000 | | | | | |
| | | | | | | | | 168000 | 86 |
| April 1 | To Balance b/d | | 138000 | 75000 | | | | | |

B)

purchas Return Book.

| Date | particulars | L.f | Details | credit note | Amount |
|---|---|---|---|---|---|
| Jan 10 | To Bimal stationery<br>2 dozens of books @<br>Rs. 2000 per dozen<br>10 pieces of copy<br>@ Rs. 150 each<br>less 10% tradedis | | 4000<br>1500<br>(550) | ~~4950~~ | 4950 |
| Jan 15 | To meena stationary<br>5 dozens of pencils<br>@ Rs. 80 per dozen at<br>10% trade discoun | | 400<br>(40) | ~~360~~ | 360 |
| | Total. | | | 5310 | 531 |

14

15)

A) Working Note.

| correct entry | | wrong Entry |
|---|---|---|
| a. Cash a/c. Dr 10000 To furniture a/c 10000 | X | Sales a/c... Dr 10000 To cash a/c 10000 |
| b. cash a/c .... Dr 5000 To Surendra a/c 5000 | X | Surendra a/c ... Dr 15000 To cash a/c 15000 |

Errors of Rectification.

| Date | particulars | Lf | Debit | Credit. |
|---|---|---|---|---|
| a. | Sales a/c.... Dr | | 10000 | |
| | To furniture a/c | | | 10000 |
| | (Being error rectified) | | | |
| b. | Surendra a/c ...Dr | | 10000 | |
| | To cash a/c | | | 10000 |
| | (Being error rectified) | | | |
| c. | Hari a/c .... Dr | | 3000 | |
| | To Sales a/c | | | 3000 |
| | (Being error rectified) | | | |

8)

provision of doubtful debt.

| particular | Amount | particulars | Amount |
| --- | --- | --- | --- |
| To Bad debts a/c | 3000 | By balance b/d | 2000 |
| To Balance c/d | 2500 | | |
| | 5500 | | |

17.

profit and loss amount
for the year ended 31st chaitra, 2071

| Particulars | Amount | particulars | Amount |
|---|---|---|---|
| To Depre. on machine | 12000 | By gross profit | 50000 |
| To insurance | 10000 | By comission a/c 4000 | |
| To salary | 25000 | Add. comm. receivable 6000 | 10000 |
| To Advertisement | 10000 | By provision for bad | |
| To interest exp | 3000 | debts | 3000 |
| To bad debt | 1000 | | |
| To Net profit | 1000 | | |
| | 63000 | | 63000 |

Balance Sheet
as on 31st chaitra, 2071.

| Capital and liabilities | Amount | Assets | Amount |
|---|---|---|---|
| Capital 600000 | | Building | 324000 |
| Less. Drawing 75000 | | Machinery 120000 | |
| Add. Net profit 1000 | 526000 | less. Dep 12000 | 108000 |
| Bank loan | 50000 | Bank balance | 65000 |
| creditors. | 135000 | Debtors 210000 | |
| | | Less. Bad debt 2000 | 208000 |
| | | Comission recivable | 6000 |
| | 711000 | | 711000 |

19)

Statement of Affairs
as on 31st chaitra, 2077.

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| creditors | 30000 | Bank balance | 30000 |
| loan | 15000 | Building | 100000 |
| closing capital | 145000 | Stock | 10000 |
| | | Debtors | 50000 |
| | 190000 | | 190000 |

profit and loss statement
for the year ended 31st chaitra 2077.

| particulars | Amount. |
|---|---|
| Closing capital | 145000 |
| Add. Anual drawing | 6000 |
| Adjusted capital | 151000 |
| Less- opening balane | 100000 |
| profit for the year | 51000 |

20)

Journal entries.

| Date | Particulars | LF | Debit | Credit |
|---|---|---|---|---|
| 1/1 | cash a/c Dr | | 200000 | |
| | Bank a/c Dr | | 120000 | |
| | To capital a/c | | | 320000 |
| | (Being business started) | | | |
| 1/5 | purchase a/c ...Dr | | 50000 | |
| | To Ram a/c | | | 50000 |
| | (Being goods purchased from Ram) | | | |
| 1/8 | cash a/c ... Dr | | 30000 | |
| | To sales a/c | | | 30000 |
| | (Being goods sold on cash) | | | |
| 1/9 | Ram a/c ... Dr | | 20000 | |
| | To Bank a/c | | ~~20~~ | 20000 |
| | (Being paid to Ram through cheque) | | | |
| 1/10 | machinery a/c ... Dr | | | |
| | To cash a/c | | | |
| | (Being machine purchased on cash) | | | |
| 1/14 | Ram a/c ... Dr | | 30000 | |
| | To Discount recived a/c | | | 2000 |
| | To cash a/c | | | 28000 |
| | (Being paid to Ram in full setalment. | | | |

Scanned with CamScanner

Dr Capital account Cr

| Date | particulars | JF | Amount | Date | particulars | JF | Amount |
|---|---|---|---|---|---|---|---|
| 1/31 | To Balance c/d | | 320000 | 1/1 | By cash a/c | | 200000 |
| | | | | 1/1 | By bank a/c | | 120000 |
| | | | 320000 | | | | 320000 |
| | | | | 2/1 | By balance b/d | | 320000 |

Dr cash account. Cr

| Date | particulars | JF | Amount | Date | particular | JF | Amount |
|---|---|---|---|---|---|---|---|
| 1/1 | To capital a/c | | 320000 | 1/10 | By machinary a/c | | 40000 |
| 1/8 | To Sales a/c | | 30000 | 1/14 | By Ram a/c | | 28000 |
| | | | | 1/31 | By balance c/d | | 282000 |
| | | | 350000 | | | | 350000 |
| 2/1 | To balance b/d | | 282000 | | | | |

Dr Bank account Cr

| Date | particular | JF | Amount | Date | particular | JF | Amount |
|---|---|---|---|---|---|---|---|
| 1/1 | to capital a/c | | 320000 | 1/9 | By Ram a/c | | 20000 |
| | | | | 1/31 | By balance c/d | | 300000 |
| | | | 320000 | | | | 320000 |
| 2/1 | To balance b/d | | 300000 | | | | |

Dr Sales account Cr

| Date | particulars | JF | Amount | Date | particular | JF | Amount |
|---|---|---|---|---|---|---|---|
| 1/31 | To Balance c/d | | 30000 | 1/8 | By cash a/c | | 30000 |
| | | | 30000 | | | | 30000 |
| | | | | 2/1 | By balance b/d | | 30000 |

Dr Purchase account Cr

| Date | particulars | Amount | Date | particulars | Amount |
|---|---|---|---|---|---|
| 1/5 | To Ram a/c | 50000 | 1/31 | By balance c/d | 50000 |
| | | 50000 | | | 50000 |
| 2/1 | To Balance b/d | 50000 | | | |

Dr machinery account Cr

| Date | particulars | Amount | Date | particulars | Amount |
|---|---|---|---|---|---|
| 1/10 | To cash a/c | 40000 | 1/31 | By balance c/d | 40000 |
| | | 40000 | | | 40000 |
| 2/1 | To Balance b/d | 40000 | | | |

Dr Ram account Cr

| Date | particulars | Amount | Date | particulars | Amount |
|---|---|---|---|---|---|
| 1/9 | To Bank a/c | 20000 | 1/5 | By purchase a/c | 50000 |
| 1/14 | To dis. received a/c | 2000 | | | |
| 1/14 | To cash a/c | 28000 | | | |
| | | 50000 | | | 50000 |

Dr Discount received account Cr

| Date | particulars | Amount | Date | particulars | Amount |
|---|---|---|---|---|---|
| 1/31 | To balance c/d | 2000 | 1/14 | By Ram a/c | 2000 |
| | | 2000 | | | 2000 |
| | | | 2/1 | By balance b/d | 2000 |