



COMSATS INSTITUTE OF INFORMATION TECHNOLOGY, ABBOTTABAD

Registration # _____ Signature _____

Quiz # 2 and 3



Accounting I *BBA 2*

Instructions:

1. Borrowing of Calculator, Ruler etc. is not allowed
2. Switch off Mobile Phone
3. Don't waste yours time, all students have different papers
4. Total Time Allowed for 85 minutes
5. There will be no overwriting in Paper.
6. Marks Distribution is 25 for Quiz #2 and 25 for Quiz #3

Quiz # 2 / 25

Quiz # 3 / 25

(Not to Turn the Page Prior to Instructions)

Quiz # 2**Q1. Encircle the most appropriate choice.***(Marks = 10)*

1. Interest on loan paid by business is an example of?
(a) Deferred expense (b) Revenue expense (c) Capital expense (d) None of the given options
2. Suspense a/c is not used in which of the following cases?
(a) Before trial balance (b) After trial balance
(c) Before final accounts (d) None of the above
3. Purchase of an office equipment on account?
(a) Cash Payments Journal (b) Purchases Journal
(c) General Journal (d) Revenue Journal
4. Which error will discovered by the preparation of trial balance?
(a) Capital expenditure treated as revenue expenses (b) An incorrect amount entered as both a debit and credit
(c) Completed omission of a transaction (d) An incorrect amount entered twice as a debit
5. Suspense account having credit balance will be shown on the?
(a) Credit side of the profit and loss A/c (b) Liabilities side of the balance sheet
(c) Assets side of the balance sheet (d) Revenue side of income statement
6. Purchase of office equipment for cash?
(a) Cash Payments Journal (b) Cash Receipts Journal
(c) Purchases Journal (d) Revenue Journal
7. X sends back Rs. 80 of faulty goods to Y. In which book of prime entry would Y record this transaction?
(a) General Journal (b) Purchase Return Journal
(c) Sales Journal (d) Sales Return Journal
8. If a company uses special journals, purchase of supplies on account should be recorded in which journal?
(a) Cash receipts journal (b) Purchases journal
(c) Cash disbursements journal (d) General journal
9. If a company uses special journals, credit sales should be recorded in which journal?
(a) General journal (b) Purchases journal (c) Sales journal (d) Cash receipts journal
10. Which one of the errors is an error of Principle?
(a) Debiting Repair Account instead of Furniture Account for Rs. 10,000
(b) Sales of Rs. 200 enter in the book of original entry as Rs. 2,000
(c) Cash Sales of Rs. 300 wrongly entered in Purchase Book
(d) Purchase transaction entered in Purchase Return Day Book

Q2. Make corrected Trial Balance after anticipating hidden errors for Muniba and Co.

(Marks = 15)

Muniba & CO.

Adjusted Trial Balance

For the Period Ended 31st March, 2017

(Million Rupees)

<i>S. No</i>	<i>Heads of Accounts</i>	<i>Debit</i>	<i>Credit</i>
1	Owner Equity	1,551	
2	Drawings		560
3	Machinery		1,850
4	Sales	5,850	
5	Account Receivables		555
6	Purchases	1,260	
7	Wages		364
8	Bank Loan		356
9	Account Payable	528	
10	Taxes	270	
11	Cash in Hand		226
12	Note Payable	680	
13	Inventory	264	
14	Accumulated Depreciation _Machinery	350	
15	Repair	61	
16	Land	2,000	
17	Furniture		1,800
18	Commission		35
19	Discount	94	
20	Rent		46
21	Suspense		7,116
Total		Rs. 12,908	Rs. 12,908

Errors in Trial Balance:

- (i) Purchase of furniture for Rs. 615 passed through Purchase account
- (ii) A credit sale to Syed Kashif for Rs. 3,500 was omitted to record
- (iii) Unearned Sales of Rs. 1,500 was incorrectly credited to Sales Account
- (iv) Drawing of worth Rs. 200 wrongly charged to Wages Account

Quiz # 3**Q1. Encircle the most appropriate choice.***(Marks = 10)*

1. A company issues check to pay account payable. The effect of the transaction is to?
(a) Increase assets and liabilities (b) Increase assets and decrease liabilities
(c) Decrease assets and liabilities (d) Increase assets and stockholder's equity
2. A check received on 12th of December dated 25th December is considered as?
(a) Bank (b) Cash (c) Liability (d) Revenue
3. The Cash of a business would change as a result of?
(a) A supplier being paid by check and deposited (b) Raw materials being purchased on credit
(c) Non-current assets being purchased on credit (d) Wages being paid in cash
4. Entry representing the reversal or cancellation of an entry on the other side is called?
(a) Closing entry (b) Contra entry (c) Bank overdraft (d) Adjusting entry
5. When a company received check from customer. The effect of the transaction is to?
(a) Increase assets and decrease assets (b) Increase assets and liabilities
(c) Decrease assets and liabilities (d) Increase assets and stockholder's equity
6. If a cheque sent for collection is dishonoured, the debit is given to?
(a) Suppliers A/c (b) Bank A/c (c) Customers A/c (d) All of above
7. Cash book involves the?
(a) For payment transactions (b) Both payment and receipt transactions
(c) For receipt transactions (d) None
8. Which of the following transactions does not decrease cash?
(a) Purchasing inventory for cash (b) Accruing operating expenses
(c) Paying trade accounts payable (d) Purchasing securities that are not cash equivalents
9. On Jan 1st 2002, Rs. 1,000 given to petty cashier, he has spent Rs.860 during the month of January. On Feb 1st to make the imprest he will receive cheque for Rs._____?
(a) Rs. 1,000 (b) Rs. 860 (c) Rs. 1,860 (d) None
10. Which one of the following affects cash book during a period?
(a) Recording depreciation expense (b) Declaration of a cash dividend
(c) Write-off of an uncollectible account receivable (d) Payment of an accounts payable

