



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. Disagreement of trial balance includes which errors?
(a) Errors of omission (b) Wrongly totaling of subsidiary books
(c) Compensating errors (d) a and c only
2. Freight expenses for moving machinery to factory are?
(a) Capital expenditure (b) Deferred revenue expenditure
(c) Revenue expenses (d) None of the above
3. Bill receivable book is a part of the?
(a) Profit and Loss account (b) Ledger (c) Journal (d) Trial Balance
4. Purpose of Sales Book is?
(a) To record all sales made by the firm (b) To record payment due to creditors
(c) To record credit sales of goods made by the firm (d) None of above
5. A Statement showing debit and credit balances of ledger accounts are called?
(a) Gross trial balance (b) Net trial balance
(c) Trial balance (d) None of the above
6. Which of the followings are books of prime entry?
(a) Sales day book and trial balance (b) Petty cash book and accounts receivable ledger
(c) Petty cash book and journal (d) Cash book and assets register
7. Adjustment is to record depreciation at the end of the month in?
(a) Cash Payments Journal (b) Cash Receipts Journal
(c) General Journal (d) Purchases Journal
8. Cash book is a?
(a) Voucher (b) General Journal (c) General Ledger (d) Dual Book
9. Which of the following is the correct journal entry to record a credit note issued to a customer for goods returned?
(a) Debit Sales returns and Credit Cash (b) Debit Cash and Credit Sales returns
(c) Debit Trade receivables and Credit Sales returns (d) Debit Sales returns and Credit Trade receivables
10. Mr. Hussain sends a debit note to one of his suppliers. In which of Mr. Hussain's books of prime entry would this be recorded?
(a) Sales (b) Purchases (c) Purchase returns (d) Sales returns

Q2. Make corrected Trial Balance after anticipating hidden errors for Ali Ahmed

(Marks = 15)

Ali Ahmed

Trial Balance
As on 30th June, 2016

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			Dr	Cr
1	Sales		80,000	
2	FOH			1,000
3	Rent Expense			100
4	Rebate (Cr)		500	
5	Trade Mark			90,000
6	Account Payable		10,000	
7	Owner Equity			50,000
8	Return Outward			1,600
9	Bills Owed			6,500
10	Transportation Out			3,700
11	Inventory opening		10,500	
12	Stock closing		40,000	
13	Purchase		1,500	
14	Account Receivable		9,000	
15	Return Inward		2,000	
16	Machinery		3,000	
17	Discount on Sales			2,000
18	Wages		800	
19	Motor Van		25,000	
20	Suspense Account			27,400
Total			Rs. 182,300	Rs. 182,300

Errors in Trial Balance:

- (i) Unearned Sales of Rs. 15,000 was incorrectly credited to Sales Account
- (ii) Paid Rs. 100 for the installation of Machinery debited to wages account
- (iii) Credit sales of worth Rs. 1,200 was omitted to record in the book of original entry
- (iv) Rent expense Rs. 1,500 have been debited to Motor Van account

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

1. The transaction will be treated as a contra entry when?
(a) Cash withdrew from bank for personal use
(b) Check received from customer and deposited
(c) Cash drew from bank for office use
(d) Non of Above
2. Which of the following item is not included in the Cash Book?
(a) Purchases of Rs. 10,000
(b) Sales of Rs.5,000
(c) Received cash for Salman Rs. 2,000
(d) Credit sales of Rs. 22,000
3. Contra entry is recorded in?
(a) Double column cash book
(b) Single column cash book
(c) Three column cash book
(d) a and c
4. The unfavorable balance of cash in cash book is?
(a) An expense
(b) Liability
(c) A gain
(d) An Asset
5. Cash book involves the?
(a) For payment transactions
(b) Both payment and receipt transactions
(c) For receipt transactions
(d) None
6. The total of the 'Discounts Allowed' column in the Cash Book is posted to?
(a) The debit of the Discounts Received account
(b) The debit of the Discounts Allowed account
(c) The credit of the Discounts Allowed account
(d) The credit of the Discounts Received account
7. Petty cash may be used to pay?
(a) Salaries to staff
(b) Expenses relating to post and telegrams
(c) Purchase of furniture and fittings
(d) All of Above
8. All of the following are other receivables except?
(a) Income taxes refundable
(b) Accrued revenue
(c) Petty cash
(d) Advances to employees
9. All of the following are not considered cash except?
(a) Postage and stamps
(b) Securities
(c) Investments
(d) Cheque
10. Which of the following is the correct journal entry to record a credit note issued to a customer for goods returned?
(a) Debit Sales returns and Credit Cash
(b) Debit Cash and Credit Sales returns
(c) Debit Trade receivables and Credit Sales returns
(d) Debit Sales returns and Credit Trade receivables

