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ACCOUNTANCY

(Three hours and Fifteen minutes)

[The first fifteen minutes of the examination is for reading the question paper **only**.
Candidates must **NOT** start writing during this time.]

Answer **all** questions from Part I and **seven** questions from Part II.

The intended marks for questions or parts of questions are given in brackets [].

PART I (Compulsory)

Question 1

Answer briefly all items (i) to (xv) in this question.

[2x15=30]

- (i) Define 'accounting'.
- (ii) What are the golden rules in accounting?
- (iii) Briefly explain the term 'assets'.
- (iv) State the features of cash book.
- (v) Give two objective of preparing trial balance.
- (vi) Explain in brief "Types of business transaction".
- (vii) Sold goods worth Nu.10,000 to Tashi. Journalize the transaction.
- (viii) Write a short note on petty cash book.
- (ix) How is Journal different from Ledger?
- (x) The capital of the business is Nu.50,000 and liabilities are of Nu.20,000. Calculate assets.
- (xi) State two differences between cash account and cash book.
- (xii) Mention any four advantages of accounting.
- (xiii) List down the accounting principles.
- (xiv) True or False.
 - a) Cash book records only credit transactions.
 - b) Journal is an original or subsidiary book.
- (xv) Write a short note on contra entry with an example.

PART II

Answer any SEVEN questions.

Question 2

[10 Marks]

Pass the Journal Entries for the following information:

2017 October	1	Wangchen started business with cash Nu. 1,00,000
	3	Purchased goods from Tshewang Nu. 40,000.
	5	Sold goods to Dema Nu.70,000.
	10	Returned goods to Tshewang Nu.5,000.
	20	Paid to Tshewang by cheque Nu.33,000 in full settlement of his account.
	27	Purchased Furniture Nu.35,000
	29	Sold old newspaper Nu.6,000
	30	Rent paid Nu.12,000
	30	Salary paid Nu.13,000

Question 3**[10 Marks]****Post the following transactions direct into Ledger of Kencho and Balance them:**

2015 April	1	Kencho started business with Nu.2,50,000
	4	Withdrew from bank Nu.1,00,000
	7	Purchased goods from Lhaden Nu.40,000
	10	Sold goods to Dechen Nu.60,000
	20	Received by Lhaden Nu.35,000
	25	Purchased office stationery Nu.7,000

Question 4**[10 Marks]****Prepare Journal and Ledger from the following transactions:**

2018 April	1	Nidup started business with cash Nu.2,00,000
	7	Purchased goods from Leki Nu.50,000
	10	Sold goods to Wangmo Nu.75,000
	20	Paid to Leki Nu. 48,000
	20	Discount Received from Leki Nu.2,000
	25	Cash received from Wangmo Nu.70,000
	25	Discount allowed to Wangmo Nu.5,000

Question 5**[10 Marks]****From the given transactions, prepare Ledger and Trial Balance.**

2018 April	1	Passang Started business with Cash Nu.1,75,000 and Machinery Nu.50,000
	7	Opened a bank account Nu.90,000
	9	Withdrew from bank for office use Nu.40,000
	10	Withdrew from bank by Passang for his use Nu.37,500
	20	Purchased Office stationery from Pema Enterprises by Cheque Nu.9,200

Question 6**Journalize the following transactions and prepare ledger and trial balance.****[10 Marks]**

01/05/2017	Sonam commenced business with cash Nu.10,000
10/05/2017	Purchased goods from Pema Nu.5,000
22/05/2017	Returned goods to Pema Nu.500
27/05/2017	Paid to Pema in full settlement Nu.4,400

Question 7**[10 Marks]****The following trial balance is prepared by an inexperienced accountant. Prepare a correct trial balance as on 31st March, 2014.**

SL. No.	Name of the Account	Debit Balance (Nu.)	Credit Balance (Nu.)
1.	Capital A/c	65,000	-
2.	Debtors A/c	-	25,000
3.	Creditors A/c	15,000	-
4.	Sales A/c	-	40,000
5.	Return Outward A/c	-	15,000
6.	Purchases A/c	-	45,000
7.	Plant and Machinery A/c	45,000	-
8.	Commission A/c	-	10,000
9.	Bank overdraft A/c	1,000	-
10.	Discount Allowed A/c	-	1,000

Question 8**[10 Marks]**

From the following particulars of Mr. Wangchuk, Prepare a single column cash book for the month of March, 2015.

1. Cash in hand Nu.18,000
Cash at bank Nu.4,000
5. Deposited into Bank Nu.10,000
8. Bought goods from Yangchen on cash Nu.500
12. Received Commission Nu.7,000
15. Paid Wages Nu.200
17. Drawn for personal use Nu.2,000
20. Purchased goods from Sonam Nu.5,000
21. Purchased furniture Nu.1,500
22. Sold goods to Nima Nu.12,000
25. Cash sales Nu.100
28. Received Cash from Dema Nu.1,000
30. Paid Salaries Nu.10,000

Question 9**[10 Marks]**

Enter the following transactions in a double column cash book of Mr. Tandin. 2015, January.

1. Commenced business with cash Nu.200,000
2. Opened bank account Nu.30,000
7. Purchased Machinery Nu.20,000
10. Bought goods from Pema Nu.5,000
11. Paid to Pema by Cheque Nu.4,500 in full settlement.
25. Drawn from bank cash Nu.12,000 for office use.
27. Cash sales Nu.2,000
31. Paid commission Nu.3,000

Question 10**[10 Marks]**

From the following information, write up a simple petty cash book for the first week of May, 2016.

Date	Particulars	Nu.
2016		
May 1	Received Nu.8,000 from chief cashier for petty cash.	
May 2	Purchased postage stamps	400
May 7	Paid bus fare	240
May 10	Bought stationery for office use	2,000
May 12	Paid for milk and sugar for office tea	1,200
May 15	Paid for window cleaning	160