

Basic Accounting with Tally

Note:

- These questions are given only to indicate the nature of questions for the Final Examination.
- The Final examination questions will not be confined to the ones in this question bank.
- The ATCs may prepare the Question Paper for the Model examination with the questions from this Question Bank.

Part- I Choose the correct answer

(1 mark each)

- In Tally, key is used to select receipt voucher.
a) F6 b) F5 c) F4
- An expenditure incurred to derive long term advantage is
a) Capital expenditure b) Revenue expenditure c) Expense
 - Debit all _____
a) Expenses and losses b) Income and gains c) Liabilities
 - Debts which cannot be recovered are called _____.
a) Debtors b) Bad debt c) Expense
 - _____ is a statement of ledger account balance at a particular instance.
a) Balance Sheet b) Trial Balance c) Trading Account
 - Goodwill is a _____ asset.
a) Tangible b) Fixed c) Intangible
 - _____ assets is used for selling purpose.
a) Fixed Asset b) Intangible Asset c) Current Asset
 - Direct expenses are shown in _____ account.
a) Trading b) P&L c) Balance sheet
 - _____ is prepared to ascertain the gross profit or gross loss.
a) Balance sheet b) Trial Balance c) Trading account
 - A Bank Reconciliation statement is prepared by _____.
a) Customer b) Banker c) Debtor
 - Journal is the book of _____.
a) Secondary Entry b) Primary Entry c) Original Entry
 - The expenses paid in advance and also the amount that should be shown on the asset side of Balance Sheet _____.
a) Unexpired expense b) Outstanding Expense c) Trade Expense
- Wages paid to Ramesh by cash should be debited to
a) Ramesh a/c b) Cash a/c c) Wages a/c
- ----- is a statement of ledger account balance at a particular instance.
a) Balance sheet b) Trial balance c) Trading account. d) None of these.
- Profit and loss account can be displayed through ----- menu in Tally.
a) File b) Display c) Gateway of Tally d) Account Info.
- All outstanding comes under ----- group in Tally.
a) Current Asset b) Current liabilities c) Fixed asset d) Both a & b
- The first side of Receipt Voucher is ----- in Tally.
a) Debit b) Expense c) Credit d) Income.
- Who introduced the important concept of Profit and Loss Account.
a) Jericho b) Luca Pacioli c) William Cooper d) Richard Bowett.
- ----- key used is for Stock Journal Voucher.

- a) F7 b) Alt+ F7 c) Ctrl + F7 d) F5.
- ----- is Called Stock items in Tally.
 - a) Product Name b) Billing name c) Voucher d) None of these.
- Owner's draw is called -----.
- a) Capital b) Drawings c) Stock d) Payment.
- Cash comes under ----- Group in Tally.
 - a) Cash – in- hand b) Cash c) Bank d) Current Asset
- The main window of Tally is called -----
 - a) Menu Page b) Main c) Gateway of Tally
- ----- voucher is used for adjustment entries in Tally.
 - a) Memorandum b) Receipt c) Journal
- ----- assets are used for selling purpose.
 - a) Fixed Asset b) Intangible Asset c) Current Asset
- Direct expenses are shown in ----- account.
 - a) Trading b) P&L c) Balance sheet
- Ramesh withdraws Rs.2000 cash from his SBT Bank Current Account. In the books of Ramesh, it is a case of:
 - a) Increase in one Asset and decrease in another Asset
 - b) Increase in one Liability and increase in one Asset.
 - c) Increase in one Liability and Decrease in one Asset.
- The person who owes money to us is called -----
 - a) Debtor b) Creditor c) Owner
- Gross Profit is the difference between -----
 - a) Sales & Purchase b) Sales & Cost of Goods sold c) Sales and Total cost
- The difference in the trial balance is transferred to.....
 - a) Capital account b) Suspense account c) Difference account
- Ram purchased furniture for Rs.10,000 on credit from Modern Furniture. It is a case of :
 - a) Modern Furniture Cr 10,000
 - b) Modern Furniture Dr 10,000
 - c) Furniture's Cr 10,000
- In Tally to Email the report, -----key combination is used.
 - a) ALT+M b) ALT+L c) ALT+R
- ----- is prepared to check the arithmetical accuracy of books of account.
 - a) Balance Sheet b) Trial Balance c) Trading Account
- ----- Key is used for payment in Tally.
 - a) F3 b) F1 c) F5
- ----- voucher is used for adjustment entries in Tally.
 - a) Memorandum b) Receipt c) Journal
- Assets that have a physical existence are called ----- asset.
 - a) Intangible b) Tangible c) Wasting
- The amount invested by the proprietor is called -----
 - a) Capital b) Drawings c) Assets

Part- II. Fill in the blanks

(1 Mark each)

- Expenses which are incurred as routine business expense are called.....
- Recording of transactions in the journal is called _____.
- _____ is an indirect method of tax collection.
- The shortcut key to close a company is _____.

- _____ Key is used for payment in Tally.
- Properties of the business are called _____.
- Balance sheet is a _____.
- _____ key is used for receipts in Tally.
- _____ key is used to delete the company.
- Tally follows _____ accounting system.
- The process of recording transaction to the journal is called -----.
- The function key to activate sales order Voucher is ----- .
- TDS comes under ----- group in Tally.
- When reject goods are returned to Vendor, it is recorded through -----
- Goodwill comes under ----- group in Tally.
- ----- key is used for journal Voucher.
- ----- Voucher is used for hide outstanding report.
- ----- function key is used to create secondary ledgers.
- Income statement is known as
- Liabilities which are expected to be payable within one year are called
- The expenses related to current year but remain unpaid is called.....
- Cash book always showsbalance.
- The object of preparing income statement is to ascertain
- Financial Statement is collectively called
- Double entry system was invented by
- keystroke is used to change the period of entire Tally screen.
- Bills Receivable are shown on the.....side of Balance Sheet.
- Ledger accounts are prepared inform having two equal sides.
- Errors of omission can be committed at the time of.....
- L/F stands for

Part - III. Match the following

(1 Mark each)

- | A | B |
|--------------------|-----------------------|
| • Bank a/c | Book of first entry |
| • Trial balance | Proprietors claim |
| • Cash book | Subsidiary book |
| • Capital | Statement |
| • Journal | Personal a/c |
| • Stock | Accounts Receivable |
| • Debtors | Unsold Goods |
| • Drawings | Goods for sale |
| • Purchases | Long-term use |
| • Fixed Assets | Withdrawals by owners |

Part - IV. State whether the following are True or False

(1 Mark each)

- The preparation of trial balance is based on the fundamental principle of double entry book keeping.
- Cash or valuables owned by a business are a liability.
- Interest on drawings is income.
- Sundry debtor is connected to credit purchase.
- In real account debit what comes in credit what goes out.
- Customers come under accounts receivable group in Peachtree.
- Recording of transactions in the journal is called journalizing.
- The cash book represents the true position of cash transactions.

- Revenues are amounts earned by selling the products of a concern.
- Ctrl + F8 key is used to activate debit note voucher in Tally.
- Credit note is used for purchase return in tally.
- Salary comes under direct expenses in tally.
- Opening stock are shown on the asset side of the b/s.
- Receipt Voucher is used for Fixed Asset Sales.
- Depreciation comes under current liabilities group in Tally.
- Real account affects only properties of the business.
- All Trading expenses are called indirect expenses.
- Closing Stock is valued at cost price or market price whichever is less.
- An employer is any person hired by an employee to do a specific "JOB".
- The sellers of goods on credit to the firm are known as its creditors for goods.
- Preparation of trial balance is compulsory.
- On payment of salary to employees, salary account is credited.
- Cash book is the most important subsidiary book.
- The outstanding expenses are related to the current year but remain unpaid.
- Rent, Rates, and taxes are credited to trading account.

Part - V. Answer the following

(3 Marks each)

- What are Financial Statements?
- Explain the structure of Tally screen.
- What is meant by Trial balance and specify its objects?
- Explain the difference between Journal and Ledger.
- What is an asset? What are the differences between fixed asset and current asset.
- What is meant by trading account? Give a Performa of trading account.
- Explain Bank Reconciliation Statement and Pass book.
- What is meant by double entry system of Book-Keeping?
- Explain Capital expenditure and Revenue expenditure.
- Explain Types of Accounts and Debit and Credit Rules of these Accounts.
- Explain four accounting voucher's in Tally.
- Explain outstanding or accrued incomes, give an adjusting entry.
- What is meant by trading account? Give a Performa of trading account.
- Explain Bank Reconciliation Statement and Pass book.
- What is capital? Write a journal entry to commence business with cash Rs.10000.
- What is the difference between profit & loss a/c and balance sheet?
- Inventory information of Tally?
- Two inventory features of Tally?
- Purchase Return and Sales Return with examples?
- Direct expense and Indirect expenses?
- Accounting and types of Accounts?
- Balance Sheet? Draw form of a Balance sheet?
- Debtors and creditors?
- Receipt Note and Delivery Note?
- Journalize the following Transactions: -
 1. 01-04-2007 Commenced business with cash Rs. 50000 and cash at SBT Rs. 10000
 2. 02-04-2007 Paid salary Rs. 2000/- by cash.
 3. 03-04-2007 paid insurance Rs.1000/- by cash
 4. 04-04 2007 Salary out standing Rs. 200/-

Part - VI. Answer the following

(20 Marks each)

- Journalise the following transactions
2008

- Dec 1. Ramesh Commenced business with cash Rs.4,00,000/-
 Dec 2. Bought furniture for Rs.10,000/-
 Dec 2. Purchased goods for cash 7,000/-
 Dec 13. Cash sales Rs.7, 500/-
 Dec 14. Sold goods to Ram on credit 2,750/-
 Dec 15. Bought goods on credit from Mohan 15,000/-
 Dec 18. Paid wages Rs.3, 000/-
 Dec 19. Paid commission to salesman for the month 1,500/-
 Dec 20. Paid rent of the building Rs, 1000/-
 Dec 21. Commission received for Rs.800/-
 Dec 24. Introduced further capital by Rajeev Rs.50, 000/-
 Dec 27. Cash sales Rs.25, 000/-
 Dec 28. Paid for carriage Rs.500/-
 Dec 29. Paid cash to Ram Rs.1, 400/-
 Dec 30. Paid Sundry expenses Rs.1, 200/-
 Dec 31. Ramesh has withdrawn cash Rs.5, 000/- for his personal use.

- The following balances were extracted from the books of Super Traders on 31st December, 2008. Prepare Trading and profit and Loss Account and Balance Sheet. The closing stock amounted to Rs.14, 220.

Particulars	LF	Dr.Amount	Cr.Amount
Debtors		12,000	
Creditors			7,900
Capital			30,000
Drawings		2,900	
Rent and Rates		250	
Trade Expenses		670	
Purchases		8,640	
Sales			14,290
Returns Outwards			280
Return Inwards		190	
Carriage Inwards		250	
Wages		2,920	
Salaries		1,200	
Stock(opening)		3,100	
Discount received			240
Discount allowed		180	
Bad Debts		200	
Plant and Machinery		2,510	

Furniture and Fittings		1,800	
Cash in hand		500	
Cash at Bank		15,400	
Total		52,710	52,710

- The following balances were extracted from the books of Raj on 31st December, 2004. Prepare Trading and profit and Loss Account and Balance Sheet.

Particulars	LF	Dr.Amount	Cr.Amount
Capital			46000
Drawings		3000	
Purchase and Sales		90000	130000
Return		2000	3000
Cash in hand		4000	
Bank overdraft			6000
Debtors and Creditors		40000	22000
Bad debts		1000	
Scooter		8000	
Interest		3500	
Commission		5000	4000
Furniture		22000	
Opening Stock		2000	
Advertising		3500	
Taxes and Insurance		20000	
Machinery		1000	
Discount allowed		2500	
General Expenses		3500	
Wages			
		211000	211000

The following adjustments are to be made;

- Stock on 31st Dec2004 is Rs.34000
- Wages outstanding is Rs.500
- Insurance Rs.300 is prepaid.
- Commission receivable amounts to Rs.1000.
- Journalise the following transactions, prepare ledger accounts and also prepare Trial Balance
 - Vineetha started business with cash Rs.12,000
 - Purchased Goods for cash Rs.6,000
 - Purchased Furniture Rs.2,000
 - Sold Goods for cash Rs.8,000
 - Opened Bank Account Rs.5,000
 - Purchased Goods and paid by cheque Rs.4,000
 - Cash Sales Rs.3,000
 - Deposited into bank Rs.2,000
 - Paid Salary by cheque Rs.400
 - Received Commission Rs.200