

Accounting Tally & PeachTree

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

(1Mark each)

1. In Tally the short cut ke to access calculator is.....
a. ctrl+n b. ctrl+m c. ctrl+c d. None
2. In Tally you can delete a ledger from the alteration mode by using theshortcut key.
a. Alt+D b. Alt+Y c. Alt+Del d. None
3. Depreciation is the decrease in the value of assets due to.....
a. Wear& Tear b. Passage of time
c. Obsolescence d. All of these
4. The goods available with the business for the sale on a particular date is termed as.....
a. Purchase b. Stock
c. Work- in-progress d. Investment
5. The assumption that a business enterprise will not sold or liquidated in the near future is known as the.....
a. Periodicity b. Going concern
c. Conservatism d. Economic entity
6. Recognition of expenses in the same period as associated revenue is known as the.....principle.
a. Monetary unit b. Cost-benefit
c. Matching d. Consistency
7. Accounting standards are issued by.....
a. ICAI b. IASC
c. ICWA d. Accounting Standard Board
8. The business is treated as a unit or entity separate from the.....

- a. Debenture holder b. Creditors
c. Person who control it d. Government
9. Which of the following is the accounting equation
a. Asset=Capital b. Asset= Capital- Liabilities
c. Asset= Capital + Liability d. None
10. Revenue is generally deemed to have been earned at the point of time
a. When the cash received b. When sale is effected
c. When production is completed d. When unproductive assets are sold
11. A statement of debit and credit balance of account is called a.....
a. Journal b. Cash –book c. Trial –balance d. Ledger
12.is allowed by the creditor to debtor for prompt payment..
a. Trade discount b. Cash discount c. Rebate d. None
13. Bank Reconciliation Statement is
a. Ledger a/c b. Part of cash book
c. Separate statement d. None
14. A.....is both journal and ledger.
a. Cash book b. Bank account
c. Cash account d. Petty cash account
15. Goods sold for cash Rs.20,000/- is the example of
a. Revenue b. Expenses c. Profit d. Loss
16. Pass book is.....
a. The Copy of banking transaction entered in the cash book
b. A copy of the customers ledger account maintained by the bank
c. The record of all cash transactions
d. None
17. Over Draft facility is available only in.....
a. Current Account b. Savings account
c. FD Account d. RD Account
18.account is opened when the trial balance does not agree.
a. Cash account b. Bank account
c. Suspense account d. Realization account
19. The Bank over Draft is treated as a.....
a. Current Asset b. Fixed Asset
c. Current Liability d. Fixed Liability
20.is the main source of preparing final accounts.
a. Journal b. Cash book c. Trial balance d. ledger

21.is an account prepared to find out the result of buying and selling of goods and services.
- a. Cash account b. Trading account
c. P&L Account d. Sales account
22. Any irrecoverable portion of sundry debtors is termed as.....
- a. Pre-paid expense b. Outstanding Expense
c. Bad-debt d. Debtors
23. Expenditure which is incurred in the administration of business or in making sales is termed as.....
- a. Capital Expenditure b. Revenue Expenditure
c. Deferred Revenue Expenditure d. None
24. The preparation of Trial Balance help in locating
- a. Error of principle b. Error of omission
c. Error of commission d. None of these
25. Wrong totaling is an error of.....
- a. Commission b. Omission c. Principle d. None
26. In Trial Balance the amount stated for cash represents.....
- a. Cash at the beginning of the period
b. Cash receipts during the period
c. Cash disbursement during the period
d. The cash balance on the date of TB
27. The cost of pulling down a building to raise a new one is
- a. Revenue Expenditure b. Capital Expenditure
c. Deferred Revenue Expenditure d. None
28. Income is the excess ofover.....
- a. Revenue,expenses b. Assets,Liabilities
c. Expenses, Revenue d. Profit, Loss
29. Preparation of Trial Balance helps deduction of.....
- a. Errors of principle b. Compensating errors
c. Errors of whole omission d. Clerical Errors
30. The valuable things owned by the business are called
- a. Assets b. Capital c. None of these d. Liability
31. Suppliers are calledin Peachtree.
- a. Customer b. Vendor c. Creditor d. None of these
32. Assets which are held for a short period is known as.....
- a. Current asset b.Circulating asset
c. Both a & b d.None of these

33. Recording of transactions in the journal is called.....
- a. Posting b. Journalizing
c. Balancing d. None of these
34. Gross profit is the difference between.....
- a. Sales and Purchase b. Sales and cost of goods sold
c. Sales and total cost d. None of these
35. The person who owes money to us are called
- a. Debtor b. Creditor c. Owner d. None of these
36. A combination of two or more simple journal entries is known as.....
- a. Compound entry b. complex entry
c. Combination entry d. None of these
37. The short explanation of a journal entry is known as.....
- a. Note b. Narration c. Index d. None of these
38. The Journal is a book ofentry.
- a. Prime b. Original c. Secondary d. None of these
39. Purchase of machinery should be debited to.....
- a. Purchase a/c b. Machinery a/c
c. Cash a/c d. None of these
40. Debit balance of cash book indicates.....
- a. Cash in hand b. Loss
c. Profit d. None of these
41. Goodwill is.....asset
- a. Tangible b. Intangible c. Current d. None of these
42. is prepared to ascertain the gross profit or gross loss.
- a. Balance sheet b. Trail Balance
c. Trading account d. None of these
43. The amount of goods withdrawn by the proprietor for his personal use is termed as.....
- a. Capital b. Drawings c. Withdrawals d. None of these
44. Changes in ledger accounts can be made in..... mode.
- a. Display b. Alter c. Create d. None of these
45. The decrease in the value of asset is known as.....
- a. Depreciation b. Reduction
c. Decline d. None of these
46. A Bank Reconciliation Statement is prepared by.....
- a. Banker b. Customer c. Debtor d. None of these
47. Capital comes undergroup in Peachtree
- a. Equity gets closed b. Current liability

- c. Equity retained earnings d. None of these
48. The main window of Tally is called
- a. Accounts info b. Display
c. Gateway of Tally d. None of these
49. assets used for selling purpose.
- a. Fixed Asset b. Intangible Asset
c. Current Asset d. None of these
50. A firm purchase computers for sales, these computers are for the business
- a. Purchases b. Current Asset c. Sales d. Capital
51. Incomes and expense is a account
- a. Personal b. Nominal c. Real d. None of these
52. Billing name of product is called
- a. Stock group b. Stock category
c. Stock item d. None of these
53. Capital is to the business
- a. Assets b. Income c. Liabilities d. Expense
54. represents the investment made by the owners in the business.
- a. Capital b. Asset c. Income d. None of these
55. Ledger is a book of
- a. Original entry b. Primary entry
c. Secondary entry d. None of these
56. The process of transferring journal entries into the ledger is called
- a. Posting b. Balancing c. Totaling d. None of these
57. In Peachtree, the chart of accounts has
- a. General header field b. Budget headerfield
c. General & Budget header fields d. None of these
58. Bank account is Account.
- a. Personal b. real c. Nominal d. None of these
59. In Tally, is the shortcut key to change the date of a voucher.
- a. F2 b. F8 c. F7 d. F1
60. Trial Balance is
- a. statement b. an account c. a summary d. None of these
61. City medicals purchased Furniture for Rs. 10,000 on credit from New wood Furniture,
It is a case of :

- a. Bank a/c Dr.10, 000
 - b. New wood Furniture Dr.10, 000
 - c. New wood Furniture Cr.10, 000
 - d. None
62. In Peachtree, the customer ID can be up to characters length.
- a. 20
 - b. 12
 - c. 15
 - d. None of these
63. Salaries paid to Sabu amounting to Rs.900 will be debited to.....
- a. Salaries account
 - b. Sabu's account
 - c. trading account
 - d. None of these
64. balance of pass book shows an overdraft.
- a. debit
 - b. credit
 - c. either credit or debit
 - d. None of these
65. In Tally, the function key is used to get Sales Voucher Entry Screen.
- a. F8
 - b. F5
 - c. F4
 - d. F10
66. All operating expenses are debited in the account
- a. Trading
 - b. Profit & Loss
 - c. Cash
 - d. None of these

Part II Fill in the blanks

(2Marks each)

67. is the Balance Sheet classification that reports the obligations of the company.
68. A..... is the actual account head which you identify a transaction.
69. The two ledgers which are automatically created by tally are and.....
70. Create more than one ledger under single account group is called.....
71. Cash and cheque payment transactions are entered through..... voucher.
72. is a system of indirect taxation.
73. Tax paid on purchase is known as.....
74. Any irrecoverable portion of sundry debtors is termed as.....
75. Interest paid on proprietors capital is debited to..... A/c.
76. is a type of expenditure, the benefit of which is last for more than one year.
77. If the total of credit side of P&L account is more than the total of debit side, the difference is.....
78. A Ledger account is prepared in form.
79. is the term used to describe assets without physical character
80. Every transaction will affect a minimum of accounts.
81. Sales minus cost of goods sold equals profit.
82. Net sales minus the cost of goods sold equals profit.
83. is a long-term asset used in a business that does not get depreciated.
84. A cheque bearing a date in the future is referred to as a cheque.
85. Depreciations come under group in Tally
86. Expenses paid before current date is called
87. Purchase order command is located menu in Peachtree

88. The posting method of Peachtree is
89. Outstandings come undergroup in Tally.
90. In Trading account the expenditure is greater than sales is known as
91. Expenses which are incurred as routine business expense are called.....
92. Income statement is known as
93. Liabilities which are expected to be payable within one year are called
94. The expenses related to current year but remain unpaid is called.....
95. The shortcut key to close a company is
96. Cash book always showsbalance.
97. The object of preparing income statement is to ascertain
98. Financial Statement is collectively called
99. Double entry system was invented by
100. A bank reconciliation statement is prepared by.....
101. key is used for receipts in Tally.
102. In Nominal a/call expenses and losses and..... all incomes and gains.
103. key is used to delete a company.
104. Ledger accounts are prepared inform having two equal sides.
105. In Real account.....what comes in and.....what goes out..
106. L/F stands for
107. To select a company Function key is used.
108. The index value of Capital account is.....
109. The index value of cash in hand is.....

Part-III State whether True or False

(1 Mark each)

113. Tally is the worlds first concurrent multi lingual business accounting and inventory management software.
114. The business is treated as a unit or entity separate from the person who control it .
115. A ledger account is treated in ' T ' form.
116. Errors of principle do not affect the Trial Balance.
117. Reserve means accumulated or undistributed profit.
118. Cash discount received from creditors is an expense.
119. Sales returns are also called returns inwards.
120. Customers come under accounts receivable group in Peachtree.
121. Balance sheet is a statement.
122. Ctrl + F8 key is used to activate debit note voucher in Tally.
123. The balance arrived on P&L account is transferred to capital account.
124. Journal voucher is used for adjustment transactions.
125. Cash or a valuables owned by a business is a liability.
126. Revenues are amounts earned by selling the products of a concern.
127. The two sides of a balance sheet will always tally.

128. The difference in trial balance is transferred to suspense a/c
129. Vendors come under accounts payable group in Peachtree
130. Bad debt comes under indirect expense group in Tally
131. When debit side is greater than credit side, in trading a/c it is called good profit
132. Banks come under cash a/c group in Peachtree
133. F6 key is used for payments in Tally
134. Personal a/c affects only properties of the business
135. Closing stock is an income
136. Alt + C key is used for create secondary ledger in Tally
137. Peachtree follows cash accounting method
138. Product name is called stock group
139. Fixed assets are constantly used in the business.
140. All the transactions of financial nature are not recorded in the books of accounts.
141. To create more than one ledger under a single account group is called Multiple Ledger.
142. The goods available with the business for sale on a particular date is termed as stock.
143. Depreciation is the process of allocation of cost.
144. Revenues are amounts earned by selling the products of a concern.
145. The amount received from the sale of fixed asset is capital receipt.
146. The preparation of trial balance is based on the fundamental principle of double entry book keeping.
147. The cash book represents the true position of cash transactions.
148. The sellers of goods on credit to the firm are known as its creditors for goods.
149. Preparation of trial balance is compulsory.
150. On payment of salary to employees, salary account is credited.
151. Cash book is the most important subsidiary book.
152. The outstanding expenses are related to the current year but remain unpaid.
153. Rent, Rates, and taxes are credited to trading account.
154. System generated Reserve groups cannot be deleted
155. In PeachTree the accounting period once specified cannot be changed.

Part-IV Answer the following

(5 Marks each)

158. Calculate the gross profit of the following

Opening stock	10,000
Purchases	30,000
Direct Expenses	4,000
Sales	70,000
Closing Stock	12,000

159. What is an asset? Explain the difference between fixed asset and current asset.
160. What is meant by trial balance? Draw the form of a trial balance.
161. Explain the structure of tally screen.

162. Explain the difference between Profit & Loss account and Balance sheet.
163. Explain Journal and Ledger
164. Explain Types of Accounts and Debit and Credit Rules of these Accounts.
165. Write about Receipt Note and Delivery Note?
166. Draw the general ledger creation form and structure in Peachtree?
167. Write about purchase order and sales order?
168. What are the compulsory things to be specified when creating a company in Peachtree?
169. Draw the Peachtree startup screen; explain the structure of Peachtree screen?
170. Write about Drawing and Capital?
171. What are the main features of computerized accounting?
172. Write Debit and Credit rules of personal, Real and Nominal Account?
173. Journalize the following transaction?
 - 01-04-2007 Commenced business with cash Rs. 25,000/-
 - 02-04-2007 Cash deposited to Canara Bank Rs. 5000/-
 - 03-04-2007 Paid salary Rs. 2000/- by cash
 - 03-04-2007 Salary outstanding Rs. 500/-
174. Explain the term accrued income and also give the adjusting entry for the same?
175. Explain the matching principle of Accounting?
176. Explain Bank Reconciliation Statement and Pass book.
177. Name the two posting methods available in peach tree, Explain each?

Part- V Answer the following

(10 Marks each)

178. Explain the features of Tally?
179. Describe the functions of accounting?
180. Name five direct expenses and explain each?
181. Interest received during 2007 amounts to Rs.3000/-. On closing date interest accrued on investment amounts to Rs.500. Give adjusting entry and also shows how it would appear in the P&L A/c and Balance Sheet?
182. Explain the window elements of peach tree?
183. What are the informations stored in the company information window in peach Tree?
184. What are the steps to be followed for creating a customer in Peach Tree?
185. Journalize the following transactions.
 - a. Sold goods to Rajesh on credit Rs.20,000/- and for cash Rs.30,000/-
 - b. Received cash Rs.19, 500/- from Rajesh in full settlement of his account.
186. Explain cash discount and distinguish between cash discount and trade discount.
187. Discuss the type of ledgers and their group.
188. Explain four accounting voucher's in Tally.

Part-VI. Answer the following

(20Marks each)

189. Journalize the following transactions, prepare ledger accounts and also Prepare a Trial Balance.

2004

March 1. Raju started business with cash Rs.20,000.

March 3. He opened a current a/c in the bank Rs.5,000.

March 7. Purchased goods on credit from Raveendran Rs.4,000.

March 10. Paid to Raveendran in full settlement Rs.3,900.

March 13. Machinery purchased Rs.2,000.

March 16. Goods sold to Bhaskar Rs.3,000.

March 18. Amount received from Bhaskar Rs.1,000.

March 20. Salaries paid Rs.700.

March 23. Rent received Rs.300.

March 28. Goods purchased from Sachin Rs.4,000.

March 31. Interest on capital @ 10% per month.

Depreciation on machinery Rs.100.

190. Pass journal entries and post them in the ledger accounts

2008

Jan 1. Started business with cash Rs.20,000/-.

Jan 2. Purchased goods from Dev Rs. 6,000/-.

Jan 3. Paid to Dev in full settlement of his account Rs.5,900/-.

Jan 9. Purchased furniture Rs.5,000/-.

Jan 12. Paid salaries Rs.1,000/-.

Jan 15. Rent received Rs.500/-.

Jan 18. Sold goods to Ram Rs.4000/-.

191. The following balances were extracted from the books of Mr.Murali on 31st Dec, 2008. Prepare Trading and Profit and Loss Account and Balance Sheet.

Particulars	LF	Dr.Amount	Cr.Amount
Debtors		28,000	
Creditors			20,000
Plant Machinery		40,000	
Purchases		65,000	
Sales			95,000
Land & Building		20,000	
Salaries		5,000	
Wages		6,000	
Bad debts		500	
Provision for doubtful debt			2,000
Stock		15,000	
Cash in hand		5,500	
Capital			70,000
Rent received			3,000
Drawings		5,000	
		1,90,000	1,90,000

The following adjustments are to be made;

1. Closing stock on December 31, 2001 is Rs.20,000/-.
2. Rent received in advance is Rs.1,000/-.
3. Rs.600/- is to be charged as interest on drawings
4. Allow 5% interest on capital.
5. A provision for bad and doubtful debt @ 5% on debtors is to be made.
6. Create 5% commission on profit to managers after charging commission.
7. Provide Rs.600/- on discount on debtors and Rs .1,000/- for discount on creditors.

192. The following balances were extracted from the books of Thomas on 31st December,2004. Prepare Trading and Profit and Loss Account and Balance Sheet.

Particulars	LF	Dr.Amount	Cr.Amount
Capital			15,000
Drawings		2,500	
Purchases		55,000	
Stock 1-1-2006		11,000	
Bank overdraft			2,100
Furniture		1,300	
Creditors			7,900
Premises		10,000	
Book Debts		9,000	
Rent			500
Sales Returns		1,000	
Sales			75,000
Discount Received			200
Insurance		500	
Sundry Expenses		2,500	
Commission Received			1,000
Carriage Outwards		3,300	
Cash		5,600	
		1,01,700	1,01,700

The following adjustments are to be made;

1. Stock on 31st Dec 2004 is Rs.17200.
2. Commission accrued but not received amounts to Rs.450.
3. Rent receivable amounts to Rs.100.
4. Carriage outwards outstanding Rs.200.
5. Insurance paid in advance Rs.150.