

**Q1.** What do you mean by **THE HISTORICAL COST PRINCIPAL ?**

**Q2.** Show the Accounting Equation on the basis of the following transactions **and show journal entries:**

(i) Sunil started business with cash	150000
(ii) He purchased goods from RAM on credit	50000
(iii) Goods destroyed by fire	4599
(iv) Received cash for dividend on securities	5659
(v) Rent paid in advance	6700
(vi) Bought furniture for personal use	8900
(vii) Introduced fresh capitals	4900
(viii) Sold furniture cash of Rs. 40000 costing Rs. 30000	
(ix) Charge depreciation on Machine	565
(x) Paid three months advance rent for office	2100

**Q3.** From the following particulars , Prepare triple-column cash book of **Mrs. ASHWARIYA**

Date	particulars	Rs
2010		
March 1	Balance on hand	50
March 1	Balance at bank(overdrawn)	
400		
March 3	cash sales	
600		
March 5	paid for purchase of machine by cross cheque	
1000		
March 8	paid wages for erection of above machine	
40		
March 10	received crossed cheque from Mr. AMIN in full settlement of Rs.500	
480		
March 13	issued an open cheque to SHRI FULABHAI on account	
400		
March 15	withdrew from bank for office use	
500		
March 16	cheque received from Mr. AMIN endorsed to SHRI DADUBHAI in full settlement	
March 20	cheque issued to SHRI DADUBHAI dishonoured	
March 30	paid life insurance premium of the life of proprietor Rs. 80	

**Q4.** From the following balances taken from the books of HARI & CO. Prepare trading and profit and loss account for the year ending 31<sup>st</sup> dec 1996 and Also prepare the BALANCE SHEET as on that date:

Capital	350000	salaries	11100
Machine	187500	Discount allowed	2000

Debtor	92500	stock(op.)	165000
General expenses	70000	bills payable	50000
Rent paid	8000	sales	635000
Proprietor drawing	37100	Purchases	468500
Electric charges	1900	wages	25000
Carriage inward	8500	cash-in-hand	18000
Cash at bank	30000	sundry creditors	100000
Returns outward	1100	return inward	45

Q5. What are the causes for non-reconciliation of BANK PASK BOOK and CASH BOOK.