

FINANCIAL ACCOUNTING IMPORTANT QUESTIONS

Unit –I BILLS OF EXCHANGE

Short Questions

1. Define Bills of Exchange. What are the features of bills of exchange?
2. Distinguish between Bills of Exchange and Promissory note.
3. Define a Holder of Bills of Exchange.
4. What do you mean by Renewal of a Bill?
5. What do you mean by noting and protesting? When are these needed?
6. What do you mean by Accommodation of Bills of Exchange?

Long Questions.

1. Problem on honour and dishonor of bill.
2. Problem on endorsement of bill, Renewal of bill and Retiring a bill under Rebate.
3. What do you mean by Accommodation of bill? Explain the three different ways in which these bills can draw.

UNIT –II CONSIGNMENT ACCOUNTING

Short Questions

1. Define Consignment. What are the features of Consignment?
2. Distinguish between a consignment and a sale.
3. Distinguish between Account sales and proforma invoice.
4. Distinguish between normal loss and abnormal loss.
5. Distinguish between recurring and non-recurring expenses relevant in consignment accounts.
6. What is Del-credre commission? Why is such commission paid?
7. Problem on ascertainment of unsold stock value.

Long Questions.

1. Give Journal entries in respect of consignment transactions in the books of consignor and consignee.
2. Problem on Cost price method with unsold stock and abnormal loss.
3. Problem on Invoice price method with unsold stock and abnormal loss.

UNIT –III JOINT VENTURE ACCOUNTS

Short Questions

1. What is Joint Venture? What are the features of Joint venture?
2. Distinguish between Joint venture and Consignment.
3. Distinguish between Joint venture and Partnership.
4. What is Joint Bank account? Why is it maintained in Joint venture accounts?

5. What is Memorandum Joint venture account?

Long Questions

1. Define a Joint Venture and give its various features. Name the different methods used to record joint venture transactions.
2. Give the various journal entries to be passed in case where separate set of books are maintained for recording Joint venture transactions.
3. Problem on when no separate books are maintained.
4. Problem on when one of the Co- venture manages the venture.
5. Problem on when separate set of books are maintained.

UNIT –IV ACCOUNTS FROM INCOMPLETE RECORDS

Short Questions

1. What is Single Entry System? What are the features of Single Entry System?
2. Explain the defects of Single Entry System?
3. Distinguish between Double entry system and Single entry system
4. Distinguish between Balance sheet and Statement of affairs
5. Write the steps to be taken for converting single entry in to double entry

Long Questions

1. Problem on Statement of Affairs method / Net worth method.
2. Problem on Conversion method.

UNIT -V ACCOUNTING FOR NON PROFIT ORGANISATION

Short Questions

1. What is a Receipts and Payments Account? Explain its features?
2. What is Income and Expenditure Account?
3. Distinguish between Receipts and Payments account and Income and Expenditure account.
4. Distinguish between Income and expenditure account and profit and loss account.
5. Short problems.

Long Questions

1. How do you treat the following items while preparing the final accounts of a non-profit organizations?
(a) Legacies (b) Life member ship fee (c) Specific fund items (d) Entrance fees
(e) Donations (f) Entrance fees. (g) Sale of an asset (h) sale of old newspapers.
2. Problem on where trial balance is given and it is required to prepare Income and Expenditure account.

3. Problem on Where Receipts and Payment account is given with additional information and it is required to prepare Income and Expenditure account and Balance sheet.

3. Problem on Balance sheet both at the beginning and at the end are to be prepared from a given Receipts and Payments Account and Income and Expenditure Account.
4. Problem on Receipts and Payments Account is to be prepared from a given Income and Expenditure Account and the accompanying notes.