

12. Distinguish between accrual basis of accounting and cash basis of accounting. (4 points). **4**

13. Analyse the following transactions, State the nature of accounts and state which account will be debited and which account will be credited.

- i) Borrowed from Naresh Rs.1,00,000
- ii) Purchased furniture for Rs,20,000 in cash from Raj furniture company
- iii) Paid rent to land lord Rs.5000
- iv) Withdrew cash for personal use Rs.12,000
- v) Bought Stationery Rs.500
- vi) Goods purchased from Arun Rs.2,500.

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14. Journalise the following transactions and prepare the ledgers of **Cash A/C, Purchases A/C and Mohan A/C** **6**

2014 Jan1	Started business with cash	1,50,000
Jan3	Paid into bank	40,000
Jan 5	Sold goods to Mohan	22,000
Jan9	Goods returned by Mohan	2,000
Jan11	Goods purchased from Shyam	31,500
Jan15	Goods returned to Shyam	1,500
Jan18	Bought furniture for office use and paid by cheque	15,000
Jan19	Cash Received from Amit	1,900
	Discount allowed	100
Jan 20	Paid cash to Dinesh	2,300
	Discount received	200
Jan21	Dividend Received	5,000
Jan22	Goods Purchased for Cash 10,000 @ 5% trade discount	
Jan25	Sold goods to Amit and cheque Received.	14,000

15. Explain the following Accounting principles:

- (a) Business Entity concept (b) Accounting period concept (c) Accrual concept

(OR)

What are the advantages of Accounting?

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