

# 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)

- The valuable things owned by the business are called .....  
a. assets                      b. capital                      c. none of these
- Suppliers are called .....in Peachtree.  
a. Customer                      b. Vendor                      c. Creditor
- Assets which are held for a short period is known as.....  
a. current asset                      b. circulating asset                      c. both a & b
- Recording of transactions in the journal is called.....  
a. posting                      b. journalizing                      c. balancing
- Gross profit is the difference between.....  
a. Sales and Purchase                      b. Sales and cost of goods sold                      c. Sales and total cost
- The person who owes money to us are called .....  
a. Debtor                      b. Creditor                      c. Owner
- A combination of two or more simple journal entries is known as.....  
a. compound entry                      b. complex entry                      c. none
- The short explanation of a journal entry is known as.....  
a. note                      b. narration                      c. index
- The Journal is a book of .....entry.  
a. prime                      b. original                      c. secondary
- Purchase of machinery should be debited to.....  
a. purchase a/c                      b. machinery a/c                      c. cash a/c
- Debit balance of cash book indicates.....  
a. cash in hand                      b. loss                      c. none
- Goodwill is.....asset  
a. tangible                      b. intangible                      c. current

- ..... is prepared to ascertain the gross profit or gross loss.
  - a. Balance sheet    b. Trail Balance    c. trading account
- The amount of goods withdrawn by the proprietor for his personal use is termed as.....
  - a. capital                    b. drawings            c. withdrawals
- Changes in ledger accounts can be made in..... mode.
  - a. Display                    b. alter                    c. create
- The decrease in the value of asset is known as.....
  - a. depreciation            b. reduction            c. decline
- A Bank Reconciliation Statement is prepared by.....
  - a. Banker                    b. Customer                    c. Debtor
- Capital comes under .....group in Peachtree
  - a. Equity gets closed            b. current liability            c. Equity retained earnings
- The main window of Tally is called .....
  - a. Accounts info    b. display            c. Gateway of Tally
- ..... assets used for selling purpose.
  - a. Fixed Asset            b. Intangible Asset            c. Current Asset
- A firm purchase computers for sales, these computers are \_\_\_\_\_ for the business
  - a Purchases    b Current Asset    c Sales    d Capital
- Incomes and expense is a \_\_\_\_\_ account
  - a. Personal    b. Nominal    c. Real    d. None of these
- Billing name of product is called \_\_\_\_\_
  - a. Stock group    b. Stock category    c. Stock item    d .None of these
- Depreciation refers to a \_\_\_\_\_ in the value of fixed assets
  - a. Change    b. Decrease    c. Fluctuation    d. None of these
- Capital is \_\_\_\_\_ to the business
  - a. Assets    b. Income    c. Liabilities    d. Expense
- ..... represents the investment made by the owners in the business.
  - a. Capital                    b. Asset                    c. Income
- Ledger is a book of .....
  - a. Original entry    b. Primary entry                    c. Secondary entry
- The process of transferring journal entries into the ledger is called .....
  - a. posting                    b. balancing                    c. totaling
- In Peachtree, the chart of accounts has .....

a. General headerfield   b. Budget headerfield   c. General & Budget headerfields

- Bank account is ..... Account.
  - a. personal                      b. real                      c. none
- In Tally, .....is the shortcut key to change the date of a voucher.
  - a. F2                              b. F8                              c. F7
- Trial Balance is .....
- 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
- In Peachtree, the customer ID can be up to ..... characters length.
  - a. 20                      b. 12                      c. 15
- Salaries paid to Sabu amounting to Rs.900 will be debited to.....
  - a. Salaries account              b. Sabu's account              c. trading account
- ..... balance of pass book shows an overdraft.
  - a. debit                      b. credit                      c. either credit or debit
- In Tally, the ..... function key is used to get Sales Voucher Entry Screen.
  - a. F8                              b. F5                              c. F4
- All operating expenses are debited in the ..... account
  - a. Trading                      b. Profit &Loss                      c. Cash

**Part II   Fill in the blanks**

**( 2Marks each )**

- Depreciations come under \_\_\_\_\_ group in Tally
- Expenses paid before current date is called \_\_\_\_\_
- Purchase order command is located \_\_\_\_\_ menu in Peachtree
- The posting method of Peachtree is \_\_\_\_\_
- Outstandings come under \_\_\_\_\_ group in Tally
- In Trading account the expenditure is greater than sales is known as \_\_\_\_\_
- Expenses which are incurred as routine business expense are called.....
- 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.....
- The shortcut key to close a company is .....
- Cash book always shows .....balance.
- The object of preparing income statement is to ascertain .....
- Financial Statement is collectively called .....
- Double entry system was invented by .....

- A bank reconciliation statement is prepared by.....
- ..... key is used for receipts in Tally.
- In Nominal a/c .....all expenses and losses and..... all incomes and gains.
- ..... key is used to delete a company.
- Ledger accounts are prepared in .....form having two equal sides.
- In Real account.....what comes in and.....what goes out..
- L/F stands for .....
- To select a company ..... Function key is used.
- The index value of Capital account is.....
- The index value of cash in hand is.....

**Part-III State whether True or False**

**( 1 Mark each )**

- Sales returns are also called returns inwards.
- Customers come under accounts receivable group in Peachtree.
- Balance sheet is a statement.
- Ctrl + F8 key is used to activate debit note voucher in Tally.
- The balance arrived on P&L account is transferred to capital account.
- Journal voucher is used for adjustment transactions.
- Cash or a valuables owned by a business is a liability.
- Revenues are amounts earned by selling the products of a concern.
- The two sides of a balance sheet will always tally.
- The difference in trial balance is transferred to suspense a/c
- Vendors come under accounts payable group in Peachtree
- Bad debt comes under indirect expense group in Tally
- When debit side is greater than credit side, in trading a/c it is called good profit
- Banks come under cash a/c group in Peachtree
- F6 key is used for payments in Tally
- Personal a/c affects only properties of the business
- Closing stock is an income
- Alt + C key is used for create secondary ledger in Tally
- Peachtree follows cash accounting method
- Product name is called stock group
- Fixed assets are constantly used in the business.
- All the transactions of financial nature are not recorded in the books of accounts.
- To create more than one ledger under a single account group is called Multiple Ledger.
- The goods available with the business for sale on a particular date is termed as stock.
- Depreciation is the process of allocation of cost.
- Revenues are amounts earned by selling the products of a concern.
- The amount received from the sale of fixed asset is capital receipt.

- The preparation of trial balance is based on the fundamental principle of double entry book keeping.
- The cash book represents the true position of cash transactions.
- 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.
- System generated Reserve groups cannot be deleted
- All pending bills are over due bills.

**Part-IV Answer the following**

**( 5 Marks each )**

- Explain Bank Reconciliation Statement and Pass book.
- 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
- What is an asset? Explain the difference between fixed asset and current asset.
- What is meant by trial balance? Draw the form of a trial balance.
- Explain the structure of tally screen.
- Explain the difference between Profit & Loss account and Balance sheet.
- Explain Journal and Ledger
- Explain Types of Accounts and Debit and Credit Rules of these Accounts.
- Write about Receipt Note and Delivery Note?
- Draw the general ledger creation form and structure in Peachtree?
- Write about purchase order and sales order?
- What are the compulsory things to be specified when creating a company in Peachtree?
- Draw the Peachtree startup screen; explain the structure of Peachtree screen?
- Write about Drawing and Capital?
- What are the main features of computerized accounting?
- Write Debit and Credit rules of personal, Real and Nominal Account?
- 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/-

**Part- V****Answer the following****( 10 Marks each )**

- Journalise 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.
- Explain cash discount and distinguish between cash discount and trade discount.
- Discuss the type of ledgers and their group.
- Explain four accounting voucher's in Tally.

**Part-VI. Answer the following****( 20Marks each)**

- 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.

- 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/-.

- The following balances were extracted from the books of Mr. Murali on 31<sup>st</sup> December, 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;

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

- The following balances were extracted from the books of Thomas on 31<sup>st</sup> 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 31<sup>st</sup> 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.