

Class work questions of ACCOUNTING EQUATION which are to be solved during classes

Q1	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Vidhi started business with Cash `2,50,000.2. Purchased goods of `10,000 for cash.3. Purchased goods of `15,000 from Sambhav on credit.4. Sold goods for cash `10,000.5. Sold goods to Dhruvi `8,0006. Sold goods costing `5,000 at `8,000.7. Purchased furniture of `15,000 for cash.
Q2	<p>Develop accounting equation on the basis of following transactions: -</p> <ol style="list-style-type: none">(i) Started business by Abir with cash `5,00,000, stock `2,00,000, furniture `1,00,000(ii) Purchased goods of `60,000(iii) Purchased furniture of `40,000.(iv) Sold goods of `30,000.(v) Loan of `2,00,000 was taken from Bank.(vi) Sold goods of `20,000 at `25,000.(vii) Purchased goods of `40,000 on credit from Mahak.(viii) Paid to Mahak `25,000.(ix) Cash of `20,000 is withdrawn by Abir for her personal use.(x) Paid salary `30,000.
Q3	<p>Develop accounting equation on the basis of following transactions:-</p> <ol style="list-style-type: none">(i) Started business by Krishna with cash `2,00,000, stock `3,00,000, Machine `5,00,000(ii) Purchased goods of `60,000(iii) Purchased Machine of `50,000.(iv) Sold goods of `30,000 at `40,000(v) Loan of `1,00,000 was taken from Daksh.

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	<p>(vi) Sold goods of ` 10,000 at ` 8,000.</p> <p>(vii) Purchased goods of ` 40,000 from Nitya.</p> <p>(viii) Paid to Nitya ` 15,000.</p> <p>(ix) Cash of ` 20,000 is withdrawn by Krishna for her personal use.</p> <p>(x) Paid Rent ` 20,000.</p>
Q4	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Sanyam started business with Cash `1,00,000.2. Purchased goods from Aarav for cash 10,000 and on credit `20,000.3. Salary Paid `5,000.4. Machinery purchased for `25,000.5. Sold goods to Himanshu for `20,000 on credit and `5,000 for cash.6. Sanyam withdrew `10,000 from business for his personal use.7. Rent received `8,000.
Q5	<p>Develop accounting equation on the basis of following transactions:-</p> <ol style="list-style-type: none">(i) Started business by Aadil with cash `5,00,000, stock ` 2,00,000, Building ` 6,00,000(ii) Purchased goods of ` 60,000 from Gaurav on credit(iii) Purchased goods of ` 50,000 from Mamta in cash.(iv) Purchased goods of ` 50,000 from Bhavya.(v) Sold goods of ` 40,000 at ` 50,000.(vi) Sold goods of ` 20,000 to Vansh at ` 30,000.(vii) Goods of ` 10,000 were withdrawn by Aadil for his personal use.(viii) Received ` 25,000 from Khushi.(ix) Received Rent ` 20,000.(x) Paid carriage ` 5,000.
Q6	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Commenced business with Cash `2,00,000 and Goods `50,0002. Purchased goods for `30,000.3. Purchased a Machinery of `20,000 and paid installation charges `5,000.4. Sold goods for Cash `30,000 (costing `20,000).

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	<ol style="list-style-type: none">5. Donation given `12,000.6. Electricity Bill paid `15,000 and stationary purchased `2,0007. Purchased furniture of `15,000 for personal use.8. Commission received `5,000.9. Depreciation on Machinery `2,500.
Q7	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Rishabh started business with Cash `1,50,000; Goods `30,000 and Machinery `50,000.2. Purchased goods for cash `20,000 and credit `10,000.3. Sold goods to Bhavesh for cash `35,000 costing `30,000.4. Deposited Cash `10,000 into Bank .5. Purchased furniture of `20,000 on credit from M/s Kanishq furniture.6. Paid to Creditors `8,000 by cheque.7. Depreciate Machinery by 10% .8. Rishabh withdrew cash `25,000 from business to pay his son's school fees.
Q8	<p>Develop accounting equation on the basis of following transactions:-</p> <ol style="list-style-type: none">(i) Started business by Rahul with cash `5,00,000, Furniture `2,00,000 and stock `1,00,000 in his own building costing `10,00,000.(ii) Purchased goods of `60,000 from Swapnil and paid 60% of due amount immediately.(iii) Paid carriage of `2,000 on above purchase.(iv) Deposited `50,000 into bank (20% in the personal saving A/c of Rahul)(v) Sold goods costing `40,000 at `60,000 to Raman and paid Carriage `2,000 .(vi) Purchased a Machine of `50,000 and paid installation charges of `5,000.(vii) Loan of `1,00,000 was taken from bank at interest of 10% and half of the amount deposited into bank A/c.(viii) Appointed a manager at salary of `10,000 per month.(ix) Paid Interest on loan.(x) Raman became insolvent and only 20 paise in a rupee. realised from him.(xi) Paid salary to manager for 3 months.(xii) Depreciate Furniture and Machine by 10%.

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Q9	<p>Develop accounting equation on the basis of following transactions:-</p> <ul style="list-style-type: none">(i) Started business by Mohit with cash ` 3,00,000, Machine ` 2,00,000 and stock `1,00,000 in his own building costing ` 10,00,000(Half portion of which is to be used for business purpose and half for personal)(ii) Purchased goods of ` 1,00,000 from Rohit and paid 60% of due amount immediately to Rohit and carriage of ` 2,000.(iii) Purchased Furniture of ` 40,000 from Furniture House and paid carriage ` 1,000.(iv) Sold goods costing ` 40,000 at ` 60,000 to Rakesh and paid Carriage ` 2,000 which is to be charged from Rakesh.(v) Goods of ` 10,000 returned to Rakesh and balance amount paid to him by mohit from his personal bank account.(vi) Paid ` 20,000 regarding repair of Building.(vii) Hired a showroom at a rent of ` 5,000 per month.(viii) Depreciate Furniture and Machine by 10%(ix) Rakesh became insolvent and only 10 paisa in a rupee realised from him.(x) Paid Rent for one month.
Q10	<p>Develop accounting equation on the basis of following transactions:-</p> <ul style="list-style-type: none">(i) Started business by Suresh with cash `3,50,000, stock ` 50,000 and by depositing ` 2,00,000 into business bank A/c.(ii) Received Interest of ` 5,000 and accrued interest of ` 1,000.(iii) Paid Office expenses ` 10,000 and outstanding office expenses ` 4,000..(iv) Paid Rent of ` 20,000 out of which 5,000 related to next year.(v) Received commission ` 10,000 including ` 2,000 for next year.
Q11	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Geet commenced business with cash `2,50,000; Goods `50,000; furniture `20,000 and Machinery `30,000.2. 1/4th of the above goods sold for `20,000 to Lakshay.3. Rent paid `4,000 and Rent outstanding `2,000.4. Salary paid in advance `5,000.5. Interest received `2,000.

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	<ol style="list-style-type: none">6. Received from Lakshay `19,500 in full settlement of his account.7. Charge depreciation on Machine @ 10% and furniture @ 5%.
Q12	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Mayank started business with cash `2,00,000; Bank `1,00,000 and Building `5,00,000.2. Purchased goods of `50,000 from Naman out of which `20,000 was paid immediately by cheque3. Salary paid for 10 months `10,000.4. Sold goods (costing `20,000) for `40,000 out of which `25,000 received in cash.5. Rent received for 15 months `30,000.6. Withdrew `20,000 from Bank for office use.7. Withdrew `15,000 from Bank and `10,000 from office by the proprietor for his personal use.8. Paid to Naman `28,500 in full & final settlement of his account.
Q13	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Nishita started business with cash `3,00,000 and Goods of `60,000.2. Opened a current account with Bank and transferred `3,50,000 from her Saving A/c into current account.3. Interest received `10,000 (received interest is 40% of the Receivable interest).4. Insurance premium paid `14,000 by cheque (out of which two months is related to next year).5. Purchased goods of `30,000 from Parth and payment made by issuing a cheque.6. 2/3rd of purchased goods sold at a profit of `6,000.7. Rent received in advance `50,0008. Goods of `5,000 and cash `12,000 withdrawn by proprietor for personal use.
Q14	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Business started with cash `3,00,000 and by taking loan from Bank `7,00,000.2. Purchased goods of `50,000.3. 1/5th of the above purchased goods sold to Gaurav at a profit of 20% on cost and half of the payment is received in cash.4. Interest on loan paid `35,000.5. Provide Interest on capital `30,000.6. Goods given as charity worth `5,0007. Goods worth `10,000 and cash `15,000 embezzled by an employee.8. Gaurav directly deposited the amount into Bank in full & final settlement of his account.

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Q15	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Tweesha started business with Cash `3,00,000; Stock `80,000 and Bank `2,00,000.2. Invested `25,000 in shares of ABC Ltd.3. Sold goods to Vyom `30,000 (costing `20,000).4. Interest on Investment `2,5005. Goods loss by fire `20,000 and insurance company accepted the claim of `12,000.6. Vyom became insolvent and only 40 paise in a rupee could be recovered from his estate.7. Purchased furniture of `15,000 and paid freight on furniture `1,500.8. Charge depreciation on furniture @ 10%.
Q16	<p>Prepare an Accounting Equation from the following transactions:</p> <ol style="list-style-type: none">1. Business started with Cash `1,50,000.2. Purchased a building for `20,00,000 and the payment was made by taking a bank loan.3. Purchased goods of `20,000.4. Accrued commission `3,000 and outstanding interest `12,000.5. Received security deposit from the tenant `50,000 and deposited the same into Bank.6. Proprietor withdrew `50,000 from office to purchase Motorcycle for his personal use.7. Interest on drawing charged @ 5%.8. Received `5,000 from Monish, which were written off as bad debts in the previous year.
Q17	<p>Develop accounting equation on the basis of following transactions:-</p> <ol style="list-style-type: none">(vi) Started business by Suresh with cash `3,50,000, stock `50,000, furniture `20,000 in his own building costing `90,000.(vii) Purchased goods of `50,000 from Ajay and 60% of the due amount paid immediately.(viii) 1/10th of the available goods were sold to Kamal at 20% profit on cost.(ix) Purchased a machine of `15,000 from Anil and paid `2,000 as installation charges and Rs 3,000 for carriage.(x) Appointed a salesman at salary of `2,000 per month and received security deposit of `5,000 from him.(xi) Received commission of `5,000 including `1,000 for next year.(xii) Paid salary to salesmen `20,000 and outstanding Salary `4,000.

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	<p>(xiii) 1/5 part of furniture was sold at ` 6,000 and paid commission on sale of furniture ` 500.</p> <p>(xiv) Paid insurance premium of ` 20,000 out of which 5,000 related to next year.</p> <p>(xv) Rent received ` 30,000 and Accrued rent ` 10,000.</p>
<p>Q18</p>	<p>Develop accounting equation on the basis of following transactions:-</p> <p>(i) Started business by Gaurav with cash `7,00,000, stock ` 5,00,000, Building ` 8,00,000</p> <p>(ii) Purchased goods of ` 60,000 from Rishabh at 10% trade discount.</p> <p>(iii) Purchased goods of ` 50,000 from Mamta at 10% cash discount and 40% of the due amount was paid.</p> <p>(iv) Sold goods costing ` 20,000 at profit of 20% on cost to Akshita less 10% trade discount.</p> <p>(v) Sold goods costing ` 30,000 at profit of 20% on sales less 10% trade discount.</p> <p>(vi) Purchased goods of ` 30,000 at `10% trade discount and 5% cash discount.</p> <p>(vii) Sold goods costing ` 30,000 at a profit of 25% on sales, less 10% trade discount and 5% cash discount</p> <p>(viii) Paid due amount to Rishabh after deducting 10% cash discount.</p> <p>(ix) Goods of ` 5,000 returned by Akshita and balance amount was received after deducting 2% cash discount.</p> <p>(x) Interest on Capital is allowed at 10%</p>
<p>Q19</p>	<p>Develop accounting equation on the basis of following transactions:-</p> <p>(i) Started business by Daksh with cash `5,00,000, stock ` 2,00,000, Building ` 8,00,000</p> <p>(ii) Purchased goods of ` 40,000 from Saurabh at 10% trade discount.</p> <p>(iii) Purchased goods of ` 20,000 from Mudit at 10% cash discount and 20% of the due amount was paid.</p> <p>(iv) Sold goods costing ` 40,000 at profit of 20% on cost to Arihant less 10% trade discount.</p> <p>(v) Sold goods costing ` 60,000 at profit of 20% on sales less 10% trade discount.</p> <p>(vi) Purchased goods of ` 40,000 at `10% trade discount and 5% cash discount.</p>

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	<p>(vii) Sold goods costing ₹ 90,000 at a profit of 25% on sales, less 10% trade discount and 5% cash discount</p> <p>(viii) Paid due amount to Saurabh after deducting 10% cash discount.</p> <p>(ix) Goods of ₹ 3,200 returned by Arihant and balance amount was received after deducting 2% cash discount.</p> <p>(x) Goods of ₹ 5,000 (selling price of ₹ 8,000) were withdrawn by Daksh.</p> <p>(xi) Interest on Drawings charged at 10%.</p>
Q20	<p>Give an example for each of the following :</p> <p>(i) Increase in one asset and increase in capital.</p> <p>(ii) Increase in one asset and decrease in another asset.</p> <p>(iii) Increase in asset and increase liability.</p> <p>(iv) Decrease in asset and decrease in capital.</p> <p>(v) Increase in liability and decrease in capital.</p> <p>(vi) Increase in asset, inc liability and capital.</p> <p>(vii) Increase in one liability, decrease in another liability.</p>
Q21	<p>Give an example for each of the following:</p> <p>(i) Increase in one asset, decrease in another asset and increase in capital.</p> <p>(ii) Increase in liability, decrease in asset and decrease in capital.</p> <p>(iii) Decrease in asset, decrease in liability and decrease in capital</p> <p>(iv) Increase in one liability, decrease in another liability and increase in capital.</p>
Q22	<p>If Net worth of a business is ₹ 3,00,000 and loan from Bank is ₹ 7,00,000. Calculate the Total Assets of the business.</p>
Q23	<p>Ravi started business with a capital of ₹ 2,00,000. During the year he introduced additional capital of ₹ 1,00,000 by selling his personal car. During the year Revenue earned ₹ 50,000 and expenses incurred ₹ 70,000. On 31st March, 2021, his assets were ₹ 5,00,000.</p>

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	Calculate the amount of external liabilities as on 31 st March,2021.
Q24	Shreyansh started a business on 1 st April, 2020 with a Capital of `5,00,000 and a loan of `2,00,000 from Bank. Revenue earned during the year `60,000 and Life insurance premium paid during the year `24,000. He sold his personal investment of `50,000 at 10% premium and deposited the amount in firms Bank Account. On 31 st March,2021 his assets were `10,00,000. Find out his capital as on 31 st March 2021 and profit made or loss incurred during the year 2020-21.
Q25	Rohan started business on 1 st April,2019 with a capital of Rs. 70,000 and a loan of Rs. 25,000 . He introduced fresh capital of Rs. 12,000 and withdrew Rs.6,000 for his personal use. He made a loss of Rs. 4,000 for the year ending 31 st March 2020. Calculate the Capital and Total Equity of Rohan as on 31 st March 2020.
Q26	Suhani started business on 1 st January 2020 with a capital of Rs.1,50,000 and a loan of Rs.40,000 taken from Punjab National Bank. During the year She Sold his personal building of Rs. 4,00,000 at a profit of 20% and proceed was invested into the business. She had withdrawn Rs.8,000 to pay her Son's school fees and withrew Rs. 2,000 per month for her personal use. On 31 st December 2020 her assets were Rs.7,50,000. Find out the Profit made or Loss incurred during the year 2020.
Q27	Akshita started business on 1 st April 2019. She took a loan of Rs.70,000 from Punjab National Bank. During the year She Sold his personal Share of Rs. 2,00,000 at a Loss of 20% and half of the proceed was invested into the business. She had withdrawn Rs.20,000 to pay Rent of her residential house and withrew Rs. 3,000 per month for her personal use. During the year Revenue earned by firm Rs. 10,00,000 and expenses incurred Rs 8,00,000.On 31 st December 2020 her assets were Rs.9,00,000. Calculate Capita on 1st April 2019.