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शक्तिउत्थानआश्रमलखीसरायबिहार

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Recording of Transactions-I (H.W)

Short Answers

1. State the three fundamental steps in the accounting process.
2. Why is the evidence provided by source documents important to accounting?
3. Should a transaction be first recorded in a journal or ledger? Why?
4. Are debits or credits listed first in journal entries? Are debits or credits indented?
5. Why are some accounting systems called double accounting systems?
6. Give a specimen of an account.

7. Why are the rules of debit and credit same for both liability and capital?
8. What is the purpose of posting J.F numbers that are entered in the journal at the time entries are posted to the accounts.
9. What entry (debit or credit) would you make to: (a) increase revenue (b) decrease in expense, (c) record drawings (d) record the fresh capital introduced by the owner.
10. If a transaction has the effect of decreasing an asset, is the decrease recorded as a debit or as a credit? If the transaction has the effect of decreasing a liability, is the decrease recorded as a debit or as a credit?

Long Answers

1. Describe the events recorded in accounting systems and the importance of source documents in those systems?
2. Describe how debits and credits are used to analyse transactions.
3. Describe how accounts are used to record information about the effects of transactions?
4. What is a journal? Give a specimen of journal showing at least five entries.
5. Differentiate between source documents and vouchers.
6. Accounting equation remains intact under all circumstances. Justify the statement with the help of an example.
7. Explain the double entry mechanism with an illustrative example.