

QB365 Question Bank Software Study Materials

Trial Balance Important 2, 3 & 5 Marks Questions With Answers (Book Back and Creative)

11th Standard

Accountancy

Total Marks : 75

2 Marks

10 x 2 = 20

1) What is trial balance?

Answer : (i) A trial balance is a statement containing the debit and credit balances of all Ledger Accounts on a particular date.
(ii) It is arranged in the form of debit and credit columns placed side by side and prepared with the object of checking the arithmetical accuracy of entries made in the books of accounts and to facilitate preparation of financial statements.

2) Give the format of trial balance.

Answer : Trial balance is prepared in the following format under the balance method.

Trial balance As on.....

S.NO	NAME OF ACCOUNT/PARTICULARS	DEBIT CREDIT	
		L.F	BALANCE
		RS	RS

3) What are the methods of preparation of trial balance?

Answer : A trial balance can be prepared in the following methods.

- (i) Total Method
- (ii) Balance Method.
- (iii) Total and Balance Method

4) State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance

- (i) Carriage outwards
- (ii) Carriage inwards
- (iii) Sales
- (iv) Purchases
- (v) Bad debts
- (vi) Interest paid
- (vii) Interest received
- (viii) Discount received
- (ix) Capital
- (x) Drawings
- (xi) Sales returns
- (xii) Purchase returns

Answer : (i) Carriage outwards - Debit
(ii) Carriage inwards - Debit
(iii) Sales - Credit
(iv) purchases - Debit
(v) Bad debts - Debit
(vi) interest paid - Debit
(vii) Interest received - Credit
(viii) Discount received - Credit
(ix) capital - credit
(x) Drawings - Debit
(xi) sales returns - Debit
(xii) purchase returns - credit

Prepare a trial balance with the following information:

5) Prepare a trial balance with the following information:

	Rs		Rs
Purchases	2,00,000	Sales	3,00,000
Bank loan	1,50,000	Creditors	1,00,000
Debtors	3,00,000	Cash	1,80,000
Stock	70,000	Capital	2,00,000

Answer :

S.No	Name of account	L.F.	Debit balance Rs	Credit balance Rs
1	Purchases		2,00,000	
2	Bank loan			1,50,000
3	Debtors		3,00,000	
4	Stock		70,000	
5	Sales			3,00,000
6	Creditors			1,00,000
7	Cash		1,80,000	
8	Capital			2,00,000
	Total		7,50,000	7,50,000

Trial Balance

6) What will be the effect on trial balance if purchases return of Rs. 10,000 has been wrongly posted to the debit of sales return account but correctly entered in the customer's account?

Answer : The debit side of the trial balance will be more by Rs. 10,000.

7) Mr. Ganesh an accountant of XYZ co. in order to match the trial balance passed a dummy entry without any proof of the transaction and did not even inform the senior about it. Identify the value being violated by the accountant.

Answer : Value of trust is being violated by the accountant by passing a dummy entry and not even informing the seniors about it.

8) Definition of trial balance.

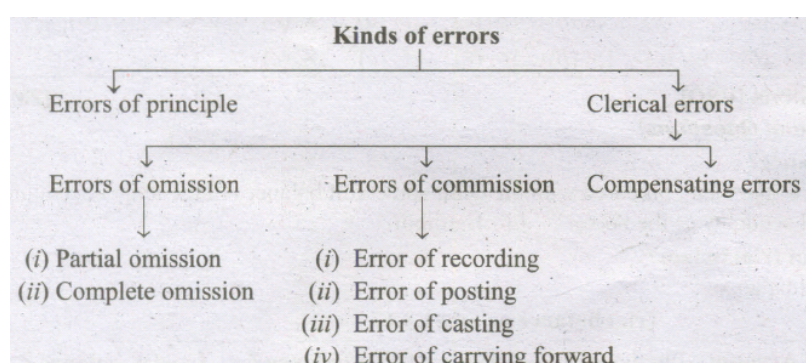
Answer : According to J.R. Batliboi, "A trial balance is a statement, prepared with the debit and credit balances of the ledger accounts to test the arithmetical accuracy of the books".

9) State whether the balance of each of the following accounts should be placed in the debit or the Credit column of the trial balance.

- 1) Bills receivable
- 2) Opening Stock
- 3) Land and Building
- 4) Goodwill
- 5) Carriage outwards
- 6) Electricity Charges
- 7) Reserve Fund
- 8) Provision for Bad Debts.

Answer : Debit Balances = 1) Bills receivable; 2) Opening Stock 3) Land and Building; 4) Goodwill; 5) Carriage outwards; 6) Electricity charges
Credit Balances = 7) Reserve Fund; 8) Provision for Bad debts.

10) Name the different kinds of errors ..



Answer :

3 Marks

10 x 3 = 30

11) What are the objectives of preparing trial balance?

Answer : Trial balance is prepared with the following objectives:

(i) Test of arithmetical accuracy:

Trial Balance is a means by which the arithmetical accuracy of the book-keeping work is Checked.

(ii) Basis for preparing final accounts:

Financial statements, namely, trading and profit and loss account and balance sheet are prepared on the basis of summary of ledger balances obtained from the trial balance.

(iii) Location of Errors:

- 1) When the Trial balance does not tally, it is an indication that certain errors have occurred.
- 2) The errors may have occurred at one or more of the stages of the accounting process, namely, journalising or recording in subsidiary books, totalling subsidiary books, posting in ledger accounts, balancing the ledger accounts, carrying ledger account balances to the trial balance, totalling the trial balance columns, etc.

(iv) Summarised information of Ledger Accounts:

- 1) The summary of ledger accounts is shown in the trial balance.
- 2) Ledger accounts have to be seen only when details are required in respect of an account

12) What are the limitations of trial balance?

Answer : The following are the limitations of trial balance.

- (i) It is possible to prepare trial balance of an organisation, only if the double entry system is followed.
- (ii) Even if some transactions are omitted, the trial balance will tally.
- (iii) Trial Balance may tally even though errors are committed in the books of account.
- (iv) If trial balance is not prepared in a systematic way, the final accounts prepared on the basis of trial balance may not depict the actual state of affairs of the concern.
- (v) Agreement of trial balance is not a conclusive proof of the arithmetical accuracy of entries made in the accounting records.

13) 'A trial balance is only a prima facie evidence of the arithmetical accuracy of records'. Do you agree with this statement? Give reasons.

Answer : Yes, Agree this statement.

The fundamental principle of the double-entry system of book-keeping is that every debit has a corresponding and equal credit and viceversa. Therefore, the total of the debit balances must be equal to the total of the credit balances. When such agreement between the total of all debit balances and the total of all credit balances takes place, it offers an immediate and apparent proof of arithmetical accuracy of the book-keeping work on a particular day. At the same time, it should not be taken as the conclusive proof of arithmetical accuracy as certain errors, such as error of principle compensating errors and complete omission of a transaction are not disclosed by the trial balance.

14) The following trial balance has certain errors. Redraft it.

S.NO	NAME OF ACCOUNT	L.F	DEBIT BALANCE RS.	CREDIT BALANCE RS.
1	Building		60,000	
2	Machinery		17,000	
3	Returns outward		2,600	
4	Bad debts		2,000	
5	Cash		400	
6	Discount received		3,000	
7	Bank overdraft		10,000	
8	Creditors		50,000	
9	Purchases		1,00,000	
10	Capital			72,800
11	Fixtures			5,600
12	Sales			1,04,000
13	Debtors			60,000
14	Interest received			2,600
	Total		2,45,000	2,45,000

Answer :

S.NO	NAME OF ACCOUNT	L.F	DEBIT BALANCE RS	CREDIT BALANCE RS
1	Building		60,000	
2	Machinery		17,000	
3	Returns outward			2,600
4	Bad debts		2,000	
5	Cash		400	
6	Discount received			3,000
7	Bank overdraft			10,000
8	Creditors			50,000
9	Purchases		1,00,000	
10	Capital			72,800
11	Fixtures		5,600	
12	Sales			1,04,000
13	Debtors		60,000	
14	Interest received			2,600
	Total		2,45,000	2,45,000

Redrafted Trial balance as on 31st March, 2017

- 15) State whether the balance of each of the following accounts should be placed in the debit or the credit column of the trial balance:
1) Sundry debtors 2) Sundry creditors 3) Cash in hand 4) Bank overdraft 5) Salary 6) Discount allowed 7) Plant and machinery 8) Furniture

Answer :

S.No	Name of account	Debit balance	Credit balance
1	Sundry debtors	Debit	
2	Sundry creditors		Credit
3	Cash in hand	Debit	
4	Bank overdraft		Credit
5	Salary	Debit	
6	Discount allowed	Debit	
7	Plant and machinery	Debit	
8	Furniture	Debit	

- 16) From the following balances of Arjun, prepare the trial balance as on 31st March, 2018.

	Rs.
Cash at bank	12,500
Opening stock	25,000
Insurance	1,500
Purchases	45,000
Wages	1,750
Discount received	1,675
Postage	425
Bills payable	5,600
Capital	20,000
Sales	58,900

Answer :

S.NO.	NAME OF ACCOUNT	L.F.	DEBIT BALANCE RS.	CREDIT BALANCE RS.
1.	Cash at bank		12,500	
2.	Opening stock		25,000	
3.	Insurance		1,500	
4.	Purchases		45,000	
5.	Wages		1,750	
6.	Discount received			1,675
7.	Postage		425	
8.	Bills payable			5,600
9.	Capital			20,000
10.	Sales			58,900
	Total		86,175	86,175

In the books of Arjun Trial Balance as on 31.03.2018

- 17) Balan who has a car driving school gives you the following ledger balances. Prepare trial balance as on 31st December, 2016.

Rs.

Computer	26,000
Salaries to drivers	4,000
Taxes and insurance	16,500
Fuel and Power	2,000
Rent and rates	1,500
Freehold land	30,000
Bank loan	15,000
Fees received	18,150
Capital	53,850
Advertisement	7,000

Answer :

S.NO	NAME OF ACCOUNT	L.F	DEBIT BALANCE RS.	CREDIT BALANCE RS.
1.	Computer		26,000	
2.	Salaries to drivers		4,000	
3.	Taxes and insurance		16,500	
4.	Fuel and Power		2,000	
5.	Rent and rates		1,500	
6.	Freehold land		30,000	
7.	Bank loan			15,000
8.	Fees received			18,150
9.	Capital			53,850
10.	Advertisement		7,000	
	Total		87,000	87,000

In the Books of Balan Driving School Rail Balance as 31st Dec. 2016

- 18) From the following balances of Rohini, prepare the Trial balance as on 31.3.2018.

Rs.

Capital	60,000
Discount Received	3,250

Purchases	60,000
Plant and Machinery	70,000
Advertising Expenses	5,000
Sales	82,000
Drawings	5,250
Salas return	4,200
Electricity Charges	800

Answer :

S.NO	NAME OF ACCOUNT	DEBIT RS.	CREDIT RS.
1.	Purchases	60,000	
2.	Plant and Machinery	70,000	
3.	Advertising Expenses	5,000	
4.	Drawings	5,250	
5.	Salas return	4,200	
6.	Electricity Charges	800	
7.	Capital		60,000
8.	Discount Received		3,250
9.	Sales		82,000
		1,45,250	1,45,250

Trail balance of Rohini as on 31 march 2018

19) What are the features of trial balance?

Answer : Following are the features of trial balance:

- Trial balance contains the balances of all ledger accounts.
- It is prepared on a specific date.
- Trial balance helps to check the arithmetic accuracy of entries made in the books of accounts.
- If there is a difference between the totals of debit column and credit column of the trial balance, it is an indication of errors being committed somewhere.
- If both the debit column and the credit column of the trial balance have the same total, it does not mean that there is no mistake in accounting.

20) Explain the various methods of preparing trial balance.

Answer : A trial balance can be prepared in the following methods.

- Balance method:** In this method, the balance of every ledger account either debit or credit, as the case may be, is recorded in the trial balance against the respective accounts. This method is widely used.
- Total method:** Under this method, the total amounts on the debit side of the ledger accounts and the total amounts on the credit side of the ledger accounts are ascertained and recorded in the trial balance. This is not commonly used.
- Total and balance method:** This method is a combination of both total method and balance method. Under this method, four columns are provided namely (a) total of debit side of the ledger accounts (b) total of credit side of the ledger accounts (c) debit balances of ledger accounts and (d) credit balances of ledger accounts. This method is not in practice.

5 Marks

5 x 5 = 25

21) Prepare the trial balance from the following balances of Babu as on 31st March ,2016.

PARTICULARS	RS	PARTIICULARS	RS
Cash in Hand	7,000	Bills receivable	7,000
Sundry Debtors	5,400	Sundry creditors	11,800
Salaries	6,800	Capital	25,000
Bad Debts	200	Purchases	45,000

PARTICULARS	RS	PARTIICULARS	RS
Opening Stock	15,400	Sales	50,000

Answer :

S.NO	NAME OF ACCOUNT	L.F	DEBIT BALANCE	CREDIT BALANCE
1	Cash in hand		7,000	
2	Sundry debtors		5,400	
3	Bills receivable		7,000	
4	Sundry creditors			11,800
5	Salaries		6,800	
6	Bad Debts		2,00	
7	Opening Stock		15,400	
8	capital			25,000
9	Purchases		45,000	
10	Sales			50,000
	Total		86,800	86,800

In the books of Babu Trial Balance as on 30.03.2016

- 22) From the following balances extracted from the books of Raju a trader on automobiles, prepare trial balance as on 31st March, 2017:

PARTICULARS	RS	PARTICULARS	RS
Cash in hand	5,500	Direct expenses	5,000
Discount received	300	Carriage outwards	3,500
Creditors	15,000	Capital	45,000
Building	50,000	Purchases	49,700
Opening stock	6,000	Sales	59,400

Answer : In the books of Raju Trial balance as on 31st March, 2017

S.NO	NAME OF THE ACCOUNT	L.F.	DEBIT BALANCE RS.	CREDIT BALANCE RS.
1.	Cash in hand		5,500	
2.	Discount received			300
3.	Creditors			15,000
4.	Buildings		50,000	
5.	Opening stock		6,000	
6.	Direct expenses		5,000	
7.	Carriage outwards		3,500	
8.	Capital			45,000
9.	Purchases		49,700	
10.	Sales			59,400
	Total		1,19,700	1,19,700

- 23) Prepare the trial balance from the following balances of Pandiyan as on 31st March, 2017.

	Rs.
Capital	50,000
Stock	15,000
Insurance	1,500
Purchases	20,000
Drawings	6,000
Postages	750
Discount Received	1,250
Sales	26,000
Bills Payable	4,000

Buildings	32,000
Cash	5,000

Answer :

S.NO.	NAME OF ACCOUNT	L.F	DEBIT BALANCE RS.	CREDIT BALANCE RS.
1.	Capital			50,000
2.	Stock		15,000	
3.	Insurance		1,500	
4.	Purchases		20,000	
5.	Drawings		6,000	
6.	Postages		750	
7.	Discount Received			1,250
8.	Sales			26,000
9.	Bills Payable			4,000
10.	Buildings		32,000	50,000
11.	Cash		5,000	
12.	SuspenseAccount		1,000	
	Total		81,250	81,250

In the books of Pandiyan Trial balance as on 31st March, 2017.

24) The following balances are extracted from the books of Mr. Senthil, Prepare Trial Balance as on 30.6.2014.

NAME OF THE ACCOUNT	RS	NAME OF THE ACCOUNT	RS
Capital	4,70,200	Machine	1,58,800
Cash in hand	6,000	Sundry debtors	48,000
Building	3,20,000	Repairs	5,400
Stock	33,000	Insurance premium	3,300
Sundry creditors	26,000	sales	2,90,000
Commission paid	750	Telephone charges	6,450
Rent & Taxes	6,300	Furniture	11,000
Purchases	1,75,000	Discount earned	1,100
Salaries	70,600	Loan from Mohammed	51,100
Discount allowed	650	Reserve Fund	5,900
Drawings	5,000	Bills receivable	8,600
Bad debts	1,350	Bills payable	6,000

Answer :

S.NO	NAME OF ACCOUNT / PARTICULARS	L.F	DEBIT BALANCE RS	CREDIT BALANCE RS
1	Capital			4,70,200
2	Cash in hand		6,000	
3	Building		3,20,000	
4	Stock		33,000	
5	Sundry creditors			26,000
6	Commission paid		750	
7	Rent and taxes		6,300	
8	Purchases		1,75,000	
9	Salaries		70,600	
10	Discount allowed		650	
11	Drawings		5,000	
12	Bad debts		1,350	
13	Machinery		1,58,800	
14	Sundry debtors		48,000	
15	Repairs		5,400	
16	Insurance premium		3,300	
17	Sales			2,90,000
18	Telephone charges		6,450	
19	Furniture		11,000	
20	Discount earned			1,100
21	Loan from Mohammed			51,000
22	Reserve Fund			5,900
23	Bills receivable		8,600	
24	Bills payable			6,000
25	Suspense Account			10,000
			8,60,200	8,60,200

Trial Balance of Mr.Senthil as on 31.6.2014

25) Prepare Trial Balance from the following balances of Mrs. Dilshad as on 31.12.2012.

NAME OF THE ACCOUNT	RS	NAME OF THE ACCOUNT	RS
Capital	4,20,000	Cash in hand	25,000
Building	1,15,000	Cash at bank	84,700
Machinery	60,000	Salaries	94,000
Furniture	11,000	Rent	48,000
Car	68,000	Commission	1,400
Opening stock	86,000	Rates and Taxes	2,600
Purchases	94,000	Bad debts	3,200
Sales	1,96,000	Insurance	2,400
Sundry debtors	16,200	General Expenses	800
Reserve for doubtful debts	7,300	Sundry Creditors	68,000

Answer :

S.NO	NAME OF ACCOUNT / PARTICULARS	L.F.	DEBIT BALANCE RS	CREDIT BALANCE RS
1	Capital			4,20,000
2	Building		1,15,000	
3	Machinery		60,000	
4	Furniture		11,000	
5	Car		68,000	
6	Opening stock		86,000	
7	Purchases		94,000	
8	Sales			1,96,000
9	Sundry debtors		16,200	
10	Reserve for doubtful debts			7,300
11	Cash in hand		25,000	
12	Cash at bank		84,7000	
13	Salaries		94,000	
14	Rent		48,000	
15	Commission		1,400	
16	Rates and Taxes		2,600	
17	Bad debts		3,200	
18	Insurance		2,400	
19	General expenses		800	
20	Sundry creditors			68,000
21	Suspense Account			21,000
			7;12,300	7;12,300

Trial Balance of Mrs. Dilshad as on 31.12.2012