

SECTION B

2. Define Accounting. What is its importance and scope? What are its functions and advantages?
3. Explain the role of Accounting as an information system. What are the various concepts and conventions on the basis of which whole Accounting system is based?
4. What are the sources of raising capital in corporate sector? Explain the difference between equity share and preference share.
5. a) On December 31, 2016, the cash book of the M/s. Mona Plastics shows the credit balance of Rs 6,500. Cheques amounting to Rs 3,500 deposited into bank but were not collected by the bank. Firm issued cheques of Rs 1,000 which were not presented for payment. There was a debit in the pass book of Rs.200 for interest and Rs.400 for bank charges. Prepare Bank Reconciliation Statement.

b) State the meaning and need of Bank Reconciliation Statement. Also explain the reasons for difference between the balances of Cash Book and Pass Book.
6. Define Ledger. What is its role in accounting? Briefly outline the procedure for posting the entries from journal to ledger.
7. What do you mean by 'Journal'? Why need for Journal arises? What functions are performed by Journal?