National Institute of Open Schooling
Senior Secondary Course: Accountancy
Lesson 4: Accounting for Business Transactions
Worksheet-4

1. Business transactions are exchange of goods or services between two parties and effects of these transactions are recorded in two accounts. Elaborate.

2. All business transactions are based on documentary evidence. In the light of this statement write a short note on source documents and vouchers.

3. Accounting vouchers are the written documents containing the analysis of business transactions for accounting and recording purpose. Describe the other features of accounting vouchers.

4. Accounting voucher may be classified as cash voucher and non-cash voucher. Explain the various classifications of each drawing a format and writing a short note on each.

5. Explain the effect of business transactions on accounting equation with the help of an example.

6. Explain the effect of following transaction on accounting equation-
   i. Started business with cash Rs. 5,00,000 introduced as capital.
   ii. Purchased goods for cash Rs.70,000.
   iii. Paid salaries to employees for Rs.25,000.
   iv. Sold goods for Rs.50,000 (Cost Rs.45,000)
   v. Commission received Rs.2,500

7. Prepare a accounting equation from the following transactions-

   i. Nishant started business with cash Rs. 4,00,000
   ii. Purchased goods for cash Rs.90,000
   iii. Sold goods[costing Rs.40,000] for Rs.55,000
   iv. Purchased goods from Monika Rs.80,000
   v. Salary paid Rs.10,000

8. All accounts are divided into five categories for the purpose of recording of the business transactions. List those five accounts and also mention the two Fundamental Rules that are followed to record the changes in these accounts.

9. Analyse the following transactions-

   i. Purchased Furniture for Rs. 1,00,000 on credit from M/s Raj Furnitures.
   ii. Cash of Rs. 5,00,000 introduced in business as Capital by Ram.

10. Visit a nearby store in your locality. Observe the transactions that take place. Choose any five business transactions of your choice and prepare a accounting equation for them.