ACCOUNTANCY (055) WORKSHEET -1

Introduction to Accounting and Basic Accounting Terms

Class: XI C **Date:19/04/2023**

1. Assertion (A): Accounting is merely concerned with recording of the financial event.
   Reason (R): Accounting also provides insightful information that helps businesses in their decision making.
   Alternatives:
   (a) Both A and R are true and R is the correct explanation of A.
   (b) Both A and R are true and R is not the correct explanation of A.
   (c) (A) is correct but (R) is wrong.
   (d) Both A and R are incorrect.
2. Which qualitative characteristic of accounting information requires the use of common unit and common format of reporting?
3. Out of the following assets which is not an Intangible Assets:
   (a) Patents (b) Investments
   (c) Goodwill (d) Trademark
4. A person who owes money to a firm for goods sold on credit is called a:
   (a) Debtor (b) Creditor
   (c) Employee (d) Investor
5. Which external user of accounting information is most interested in knowing the long term solvency position of the firm.
   (a) Creditors (b) Management
   (c) Researchers (d) Bank and financial institutions
6. Which of the following events are not of financial character?
   a) Purchase of an asset on credit.
   b) Purchase of an asset for cash
   c) Withdrawing of cash from business for personal use of proprietor,
   d) Strike by employees.
7. Amount which proprietor has invested in a business is known as:
   (a) Capital (b) assets (c) debtor (d) customer
8. Purchase refers to the buying of:
   (a) Stationery for office use (b)Assets for the factory
   (c) Goods for resale (d) investment
9. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason(R)
   Which one of the following is correct?
   Alternatives:
   a) Both A and R are true and R is the correct explanation of A.
   b) Both A and R are true but R is not the correct explanation of A.
   c) A is true but R is false.
   d) A is false but R is true.
   Assertion (A): Accounting records only the transactions of financial nature.
   Reason (R) : Goods taken from the business by the proprietor for his personal use is not of financial nature and hence will not be recorded.
10. Mukesh, a businessman, had paid the house rent where he lives from the business. Is this a business transaction? Give reason.

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11. Amount received from the sale of goods is:
    (a) Revenue Receipts (b) Capital Receipt
    (c) Deferred Revenue Expenditure (d) Both (a) and (b)
12. Double entry means:
    (a) Entry for the two aspects of the books
    (b) Entry at two dates
    (c) Entry in two aspects of transaction
    (d) All of the above
13. A firm earns a revenue of Rs. 27,000 and the expenses to earn this revenue are Rs. 14,500. And firm also receives Rs. 2,000 on fixed deposit in a bank. Calculate its income.
14. Resignation by a Production Manager is not recorded in the books of account. Why?
15. Which is the last step of accounting as a process of information?
    (a)Recording of data in the books of accounts
    (b)Preparation of summaries in the form of financial statements
    (c)Communication of information
    (d)Analysis and interpretation of information
16. Which of the following is not a business transaction?
    (a)Bought furniture of Rs.25,000 for personal use from savings account.
    (b)Paid salaries of employees Rs.20,000
    (c)Cash withdrawn for domestic use
    (d)Samples given for advertisement Rs.12,000.
17. . Stock is
    (a)included in the category of fixed (b) a part of current assets
    (c) An investment (d) An intangible asset.
18. The liability arising from the purchase of goods on credit is called
    (a) Creditor (b) Bank Overdraft
    (c) Loan (d) Expenses Payable
19. Is the government in need of accounting information? Why?
20. Which of the following is not a business transaction?
    (a)Bought furniture of Rs.25,000 for personal use from savings account.
    (b)Paid salaries of employees Rs.20,000
    (c)Cash withdrawn for domestic use
    (d)Samples given for advertisement Rs.12,000