WORKSHEET

CLASS-11TH

TOPIC- THEORY BASE OF ACCOUNTING

OBJECTIVE TYPES QUESTIONS: - (1 MARK QUESTIONS)

Fill in the blanks: -

1. According to the ……………………. principle, the stock is valued at lower of cost or net realizable value.
2. GAAP refers to the rules or guidelines adopted for…………….. and ………………of business transactions.
3. ……………….basis of accounting is suitable for professionals.
4. Implementation of……………… will benefit the economy by increasing the growth of its international business.
5. Goods and Services Tax(GST) was introduced in our country w.e.f…………………….

Multiple Choice Question (MCQ's)

6. Input GST is revered in case of:
   a) Purchase Return
   b) Goods lost by fire.
   c) Goods distributed as free samples
   d) All of the above.
7. According to…………………, irrelevant information or facts need not be disclosed.
   a) Consistency
   b) Matching
   c) Going Concern
   d) Materiality
8. According to the Companies Act, 2013, all the companies are required to maintain their accounts according to:
   a) Cash basis
   b) Accrual basis
   c) Either a or b
   d) Neither a nor b.
9. IFRS are based on:

a) Principles

b) Rules

c) Neither a nor b

d) Both a and b

10. According to Money Measurement Principle, which of the following will not be recorded in the books of accounts:

    a) Profit on sale of an assets

    b) Quality of the staff

    c) Salary paid to the manager

    d) Goods sold to Aditya.

True/ false :-

11. According to Duality Principle, every business transaction has two aspects, a debit and a credit of equal amount.
12. IFRS establish specific treatment of reporting transactions in the financial statements.
13. Under accrual basis of accounting, incomes are recorded on the occurrence of a transaction.
14. Cash basis of accounting reveals true and fair view of profit or loss.
15. According to Prudence, accounting practices once selected and adopted, should be applied consistently year after year.

Match the following:-

Items	Accounting Principles
16. All relatively relevant items should be disclosed	a) dual principle
17. Closing stock is valued at market price or realizable value whichever is less	b) materiality principle
18. The financial statement should completely disclose all the significant information.	c) conservatism principle
19. Resignation by a manager is not recorded In the books of accounts.	d) full disclosure

20. Assets= liabilities+ capital   e) money measurement

<u>Following questions having 3 marks:-</u>

21. What is difference between cash basis accounting and accrual basis accounting?

22. Explain any three features of GST.

<u>Following questions having 4 marks :-</u>

23. Answer any two accounting principles

    1. Conservatism or Prudence Principle   2. Matching Principle

    3. Materiality Principle

24. What is the need of IFRS?

25. What is the meaning of accounting principles? Explain its nature.

<u>Following questions having 6 marks each:-</u>

26. What is the meaning of accounting standards? Explain its need, benefits and limitations.

27. What is the meaning of GST? What are its characteristics and advantages?