



**INDIAN SCHOOL DARSAIT**  
**CLASS TEST 1, APRIL 2019**  
**ACCOUNTANCY (055)**



Class: XI	Max. Marks: 20
Date: 22-04-2018	Time: 40 min.

**Introduction to Accounting & Basic Accounting Terms**

**I. Multiple Choice Questions:**

[10 x ½ =5 ]

1. The balance on a trader's capital account was \$25000.  
He then had the following transactions.  
Took \$5000 in cash for personal use.  
Introduced \$15000 new capital into the business.  
What was the balance on his capital account after these transactions?  
**A** \$30000                      **B** \$40000  
**C** \$35000                      **D** \$15000
  
2. Expenditure of revenue nature that gives benefits for more than one accounting period is .....  
**A** Capital expenditure                      **B** Revenue expenditure  
**C** Deferred revenue expenditure                      **D** None of these
  
3. Which is capital receipt?  
**A** purchase of office equipment by cash                      **B** rent received in cash  
**C** sale of building for cash                      **D** stationery bought by cheque
  
4. A person who owes money to a firm against goods sold is called a  
**A** Creditor                      **B** Debtor  
**C** Supplier                      **D** None of these
  
5. Purchase refers to the purchase of .....  
**A** stationery for office use                      **B** Assets for the factory  
**C** goods for resale                      **D** asset for personal use
  
6. Amount invested by the proprietor is called  
**A** Loan                      **B** Capital  
**C** Drawings                      **D** Income
  
7. Which of the following is not a fixed asset?  
**A** Building                      **B** Plant and machinery  
**C** Stock of goods                      **D** Goodwill
  
8. Which of the following is a liability?  
**A** Rent Outstanding                      **B** Furniture  
**C** Interest received                      **D** Debtors
  
9. What is the accounting equation?  
**A** assets + liabilities = capital                      **B** assets – liabilities = capital  
**C** capital + assets = liabilities                      **D** capital – assets = liabilities
  
10. A business bought a van for business use and paid by cash.  
How will the business record the transaction?

	Account to be debited	Account to be credited
<b>A</b>	Cash	Van
<b>B</b>	Van	Cash
<b>C</b>	Cash	Purchases
<b>D</b>	Purchases	Cash

**II. Fill in the blanks:**

[10 x ½ = 5 ]

- Accounting records transactions that can be measured in terms of .....
- Quality of the staff ..... be recorded in the books of accounting.
- ..... is the last step of accounting.
- Transactions are recorded first in ..... and then posted to.....
- Purchase of a car for personal use of owner is .....
- Goodwill is an ..... asset.
- Trade discount is a deduction from ... ..
- Cash discount is a given to encourage ... ..
- An increase of asset must be .....
- An increase of capital must be .....

**III. Write 'T' for True or 'F' for False:**

[10 x ½ = 5 ]

- Book keeping is not part of Accounting. : .....
- Cost of goods produced is determined by Manufacturing Accounting. : .....
- Buying goods by paying cash at the time of transaction is credit transaction. : .....
- Capital is an internal liability. : .....
- Amount received or receivable by sale of goods is a capital receipt. : .....
- Trade discount should be recorded in the books of accounts
- Cash discount is should not be recorded in the books of accounts .....
- Expenses are always credit. ....
- Revenues are always credit. ....
- Decrease in the value of fixed asset is called depreciation. ....

**III. Answer the following questions in in one or two words or in one sentence. [10 x ½ = 5 ]**

- Define Accounting.
- Write any two differences between book keeping and accounting
- Write two examples of intangible assets.
- Write examples of any two fixed assets.
- Write examples of any two expenses.
- Write examples of any two revenue.
- Write one internal and one external user of accounting information.
- What are the two systems of book keeping?
- What are the branches of accounting?
- What are the characteristics of accounting?