



INDIAN SCHOOL DARSAIT DEPARTMENT OF COMMERCE



Subject : Accountancy	Topic :Principles and Concept of Accounting.	Date of Issue: __/__/2019 Worksheet No.5
Resource Person: JMC		Date of Submission: __/__/2019
Name of the Student : _____	Class & Division : XI ____	Roll Number : __

Name the Principles from the following:

1. Recording Business Transactions based on documents. Verifiable concept
2. Treatment of Capital in books of the firm as liability. Business Entity Principle
3. The qualitative aspect of the business is not recorded in the books. Money measurement concept
4. Disclosing important information in Accounting. Full disclosure principle.
5. Information collected and reported must be relevant and reliable. Verifiable concept
6. Appropriate recording of business transactions at appropriate or proper time Timeliness.
7. All Business transactions must be recorded in the books of accounts at monetary cost of acquisition Money measurement concept
- 8 Only those transactions, which are significant from the point of view of Income determination, should be recorded. Materiality
- 9 Quarterly report should not be made available to the users of accounting information on a half-yearly basis. Timeliness
- 10 Accounting procedures or practices should remain the same from one year to another Consistency.
- 11 In one particular Industry some companies follow accounting practices that are different from other companies Industrial

- 12 Recording of a small calculator as an asset in the Balance sheet may not be justified. Materiality concept.
- 13 A Company has adopted the diminishing balance method of charging depreciation. The same method should be adopted in the future also consistency principles
- 14 A Company makes provision for doubtful debts every year. Prudence or conservatism
- 15 Banks and Insurance companies in some countries report certain investment securities at market price as these are traded frequently. Industrial
- 16 Certain expenses are shown in the Profit and Loss account and certain expenses are shown in the Balance sheet. Matching Principle
- 17 Valuation of Crops at market value: Industrial Principle.
- 18 Transactions and events recorded in the books should be governed by substance of such transactions or event and not the legality of such transaction. substance
- 19 $\text{Assets} = \text{Liabilities} + \text{Capital}$ dual aspect concept.
- 20 Transactions are classified in to Capital and Revenue Going concern concept
- 21 The entire life of a business divided into time intervals. Accounting period concept
- 22 Result of operations added to Capital Revenue concept
- 23 Revenue should be matched with the expense. Matching concept or matching principle.
- 24 Valuing stock at market price instead of valuing stock at cost price or market price whichever is less. Industrial practice
- 25 All Transactions should be supported and evidenced by business documents. verifiable objective concept.
- 26 Every debit has a corresponding credit. Dual aspect concept
- 27 Provides verifiable and objective Accounting information. Verifiable object concept.

- 28 Anticipate no profit but provide for all possible losses. Prudence or conservatism principle. Conservatism
- 29 The delay in recording might encourage fraud, embezzlement, manipulation etc. Timeliness
- 30 Valuing stock at cost price or market price whichever is less. Prudence.
