



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]

- 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
- 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
- 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
- A person who owes money to a firm against goods sold is called a
A Creditor **B** Debtor
C Supplier **D** None of these
- 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
- Amount invested by the proprietor is called
A Loan **B** Capital
C Drawings **D** Income
- Which of the following is not a fixed asset?
A Building **B** Plant and machinery
C Stock of goods **D** Goodwill
- Which of the following is a liability?
A Rent Outstanding **B** Furniture
C Interest received **D** Debtors
- What is the accounting equation?
A assets + liabilities = capital **B** assets – liabilities = capital
C capital + assets = liabilities **D** capital – assets = liabilities
- 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
A	Cash	Van
B	Van	Cash
C	Cash	Purchases
D	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?