



Question 1: Recording of the business transaction in a systematic way is called

- (a) Accounting (b) Recording (c) Journalizing (d) Bookkeeping

Question 2: In accounts recording is made of :

- (a) Only financial transactions (b) Only non-financial transactions (c) Financial and non-financial transactions (d) Personal transactions of the proprietor

Question 3: To control the cost of production and distribution is the main field of:

- (a) Financial Accounting (b) Cost Accounting (c) Auditing (d) None of these

Question 4: Internal users of accounting information are :

- (a) Creditors (b) Potential investors (c) Managers (d) Researchers

Question 5: Cash, goods or assets invested by the proprietor in the business for earning profit is called-

- (a) Profit (b) Capital (c) Fixed assets (d) None of these.

Question 6: Which of the following is not a limitations of Accounting ?

- (a) Based on Accounting Convention (b) Evidence in Legal Matters (c) Incomplete Information
(d) Omission of Qualitative Information

Question 7: The Pioneer of Accounting is:

- (a) Arthur Field House (b) Gitman (c) William Pickles (d) Lucas Pacioli

Question 8: The supply of goods or services in exchange of money between two parties is known as

- (a) Goods transactions (b) Service transactions (c) Business transactions (d) Credit transactions

Question 9: Management accounting provides valuable services to management in performing

- (a) All management functions (b) Controlling functions (c) Coordinating management functions
(d) None of these

Question 10: Discounts received are

- (a) Buyer of goods granted discount by seller (b) Deducted when we receive cash (c) Given by us when we sell goods on credit (d) None of these



Question 11: The rights and claims of outsiders/ owner against the asset is called

- (a) Owner's Equity (b) Liabilities (c) Equities (d) None of these

Question 12: Purchase refers to the buying of

- (a) Goods for sale. (b) Stationery for office use. (c) Goods for the factory (d) All of the above.

Question 13: The unsold merchandise of business on particular day is called

- (a) Purchase Return (b) Stock / Inventory (c) Bad Debts (d) Sales Return

Question 14: The liability arising from the purchase of goods on credit is called

- (a) Creditors (b) Accounts Receivable (c) Loan (d) Payable expenses

Question 15: Book – keeping is-

- (a) An art (b) A science (c) An art and science both (d) None of these.

Question 16: Which of these best explains fixed assets?

- (a) Are bought to be used in the business (b) Are expensive items bought for the business
(c) Are items which will not wear out quickly (d) Are of long life and are not purchased specifically for resale

Question 17: Accounting is the language of

- (a) Government (b) Commerce (c) Trade (d) Business

Question 18: Which is the last step of accounting as a process of information?

- (a) Recording economic events in the books of account. (b) Preparation of financial Statements
(c) Communication of information. (d) Analysis and interpretation of information.

Question 19: Use of common unit of measurement and common format of reporting promotes

- (a) Comparability (b) Understandability (c) Relevance (d) Reliability

Question 20: Which concept represents the assumption of long period existence of a business

- (a) Dual Aspect Concept (b) Materiality Concept (c) Going Concern Concept (d) Matching Concept

Question 21: Which is the last step of accounting as a process of information?



- (a) Recording economic events in the books of account. (b) Preparation of financial statements.
(c) Communication of information. (d) Analysis and interpretation of information.

Question 22: The paper containing evidence of payment is called

- (a) Debit voucher (b) Debit note (c) Credit note (d) Credit voucher

Question 23: The debts which are to be repaid within a short period (a year or less) are referred to as,

- (a) Current Liabilities (b) Fixed liabilities (c) Contingent liabilities (d) All the above

Question 24: The term expense and expenditure are

- (a) Same (b) Different (c) Opposite (d) None of these

Question 25: Deepti wants to buy a building for her business today. Which of the following is the relevant data for his decision?

- (a) Similar business acquired the required building in 2000 for Rs. 10,00,000 (b) Building cost details of 2003
(c) Building cost details of 1998 (d) Similar building cost in August, 2005 Rs. 25,00,000

Question 26: Accounting provides data or information on

- (a) Income and cost for the managers (b) Financial conditions of the institutions (c) Company's tax liability for a particular year (d) All the above

Question 27: If a trial balance totals do not agree, the difference must be entered in

- (a) The Profit and Loss Account (b) A Nominal Account (c) The Capital Account (d) A Suspense Account

Question 28: In Accounts Recording Is Made Of:

- (a) Only Financial Transactions (b) Only Non-Financial Transactions (c) Financial And Non-Financial Transactions
(d) Personal Transactions Of The Proprietor

Question 29: A liability arises because of

- (a) Cash transactions (b) Credit transactions (c) Cash as well as Credit transactions (d) None of the above

Question 30: Deepti wants to buy a building for her business today. Which of the following is the relevant data for his decision?

- (a) Similar business acquired the required building in 2000 for Rs. 10,00,000
(b) Building cost details of 2003



(c) Building cost details of 1998

(d) Similar building cost in August, 2005 Rs. 25,00,000

ANSWERS

1-d	2-a	3-b	4-c	5-b	6-b	7-d	8-c	9-a	10-a
11-c	12-a	13-b	14-a	15-c	16-d	17-d	18-c	19-a	20-c
21-c	22-a	23-a	24-b	25-a	26-d	27-d	28-a	29-b	30-a

Question : Which qualitative characteristics of accounting information is reflected when accounting information is clearly presented?

- (a) Understandability
- (b) Relevance
- (c) Comparability
- (d) Reliability

COMMENT YOUR ANSWER



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