

UNIT TEST - 1**Time: 1 Hrs****11TH – ACCOUNTANCY****Mark: 40****I. CHOOSE THE BEST ANSWER:****10×1=10**

1. The root of financial accounting system is
 - (a) Social accounting
 - (b) Stewardship accounting
 - (c) Management accounting
 - (d) Responsibility accounting
2. Which one of the following is not a main objective of accounting?
 - (a) Systematic recording of transactions
 - (b) Ascertainment of the profitability of the business
 - (c) Ascertainment of the financial position of the business
 - (d) Solving tax disputes with tax authorities
3. Which one of the following is not a branch of accounting?
 - (a) Financial accounting
 - (b) Management accounting
 - (c) Human resources accounting
 - (d) None of the above.
4. It is a loss to the business arising out of the failure of debtors to pay the dues. It is irrecoverable debts.
 - (a) Bad debts
 - (b) Creditors
 - (c) Debtors
 - (d) All of the above
5. Who is considered to be the internal user of the financial information?
 - (a) Creditor
 - (b) Employee
 - (c) Customer
 - (d) Government
6. Under _____ of accounting, actual cash receipts and actual cash payments are recorded.
 - (a) Cash basis
 - (b) Accrual or mercantile basis
 - (c) Mixed or hybrid basis
 - (d) None of these
7. The concept which assumes that a business will last indefinitely is
 - (a) Business Entity
 - (b) Going concern
 - (c) Periodicity
 - (d) Conservatism
8. The rule of stock valuation 'cost price or realisable value' whichever is lower is based on the accounting principle of:
 - (a) Materiality
 - (b) Money measurement
 - (c) Conservatism
 - (d) Accrual
9. Transaction is recorded when it is entered into and not when settlement takes place
 - (a) Accrual
 - (b) Money measurement
 - (c) Conservatism
 - (d) Non of these
10. Assets are recorded at _____ price
 - (a) Cost Price
 - (b) Market Price
 - (c) Sales Price
 - (d) Purchase Price

II. ANSWER THE FOLLOWING QUESTIONS (ANY 4):**4×2=8**

11. Define accounting.
12. List any two functions of accounting.
13. Who are the parties interested in accounting information?
14. What is mean by Cost Accounting?
15. Define book-keeping.
16. What are the Limitations of book-keeping?

III. ANSWER THE FOLLOWING QUESTIONS (ANY 4):**4×3=12**

17. Why are the following parties interested in accounting information?
 - (a) Investors
 - (b) Government
18. Explain the role of an accountant in the modern business world.(Any 3)
19. What are the Objectives of Accounting?
20. Explain the meaning of accounting.
21. What are the steps involved in the process of accounting?
22. What is mean by customers?

IV. ANSWER THE FOLLOWING QUESTIONS (ANY 2):**4×2=10**

23. (a) Discuss briefly the branches of accounting.
(OR)
(b) Explain briefly the Accounting Cycle?
24. (a) Discuss in detail the importance of accounting.keeping and accounting

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