

**K V MATRICULATION HIGHER SECONDARY SCHOOL, KURUMBAPALAYAM, CBE
-641 107.**

CREATIVE ONE MARK - ASSERTION & REASON

11th Standard

ACCOUNTANCY

Reg.No. :

I. Assertion and reason .

35 X 1 = 35

- 1) Assertion (A): Book keeping provides a permanent and reliable record for all business transactions.
Reason (R) Transactions are recorded systematically in chronological order in the books of account.
Select the correct answer:
a) Both (A) and (R) are true and (R) is the correct explanation of(A)
b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
c) (A) is true, but (R) is false
d) (A) is false, but (R) is true
- 2) Assertion (A): The consistency convention implies that the accounting policies must be followed consistently from one accounting period to another.
Reason (R) : A firm follows the straight line method of charging depreciation since its purchase or construction. the method should be followed change.
Select the correct answer.
a) Both (A) and (R) are true and (R) is the correct explanation of (A).
b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
c) (A) is true, but (R) is false.
d) (A) is false, but (R) is true.
- 3) Assertion (A): Book-keeping is the process of recording financial transactions in the books of accounts.
Reason (R): Book-keeping is part of accounting.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 4) Assertion (A): Periodicity concept deals with preparing accounts for a particular period.
Reason (R): This concept helps the business in distribution of income to the owners and comparing and evaluating performance of different periods.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 5) Assertion (A): Source documents are the authentic evidences of financial transactions.
Reason (R): Invoice is used for credit purchases and credit sales.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)

- (c) (A) is false, but (R) is true
(d) (A) is true, but (R) is false
- 6) Assertion (A): Double entry bookkeeping is a scientific and complete system of recording the financial transactions of an organisation.
Reason (R): Credit book is a negotiable instruments.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is false, but (R) is true
(d) (A) is true, but (R) is false
- 7) Assertion (A): Credit balance in Capital account shows positive balance or the amount owed by the firm to the proprietor.
Reason (R): Debit balance indicates the amount which is owing to the firm by a person.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true but (R) is false.
(d) (A) is false, but (R) is true.
- 8) Assertion (A): Ledger is known as principal book of accounts.
Reason (R): It is a book which contains all sets of accounts, namely, personal, real and nominal accounts.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true but (R) is false.
(d) (A) is false, but (R) is true.
- 9) Assertion (A): The process of transferring the debit and credit items from the journal to the ledger account is called posting.
Reason (R): When a journal entry has more than one debit or more than one credit or both, it is called a compound entry.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true but (R) is false.
(d) (A) is false, but (R) is true.
- 10) Assertion (A): Trial balance is a statement containing the debit and credit balance of all ledger accounts on a particular date.
Reason (R): The trial balance helps in discovering errors which may have been committed in the accounting records.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 11) Assertion (A): Trial balance is prepared on a particular date.
Reason (R): The date must be mentioned in the title of trial balance.
Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 12) Assertion (A): Purchases book is a subsidiary book in which only credit purchases of goods are recorded.
Reason (R): Purchases of assets and purchase of goods for cash are not entered in purchases book
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true
- 13) Assertion (A): Entries in the purchases day book are made from invoices which are popularly known as bills.
Reason (R): Invoice is a business document or bill or statement, prepared and sent by the seller to the buyer giving the details of goods sold, such as quantity, quality, price, total value etc.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true
- 14) Assertion (A): Cash discount is a deduction given by the supplier to the buyer on the list price or catalogue price of the goods.
Reason (R): Suppose the sale of goods for Rs. 10,000 was made and 10% was allowed as trade discount, the entry regarding sales will be made for Rs. 9,000 (10,000-10 percent of 10,000)
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true
- 15) Assertion (A): Petty cash book is prepared by petty cashier to record petty expenses.
Reason (R): This book is prepared to save valuable time of chief (head) cashier from bothering about small and irrelevant.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 16) Assertion (A): Cash book is the most important subsidiary book, because it keeps the initial records of cash transactions of the business.
Reason (R): Cash receipts are recorded on the debit side while cash payments are recorded on the credit side.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)

- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 17) Assertion (A): Cash discount is allowed to the parties making prompt payment within the stipulated period of time or early payment.
Reason (R): Cash discount motivates the debtor to make the payment at an earlier date to avail discount facility.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 18) **Assertion (A):** Bank statement or bank pass book is simply a copy of the customer's account in the books of a bank.
Reason (R): In recent times, the copy of the records can be obtained by the customer electronically, which is called E-Statement
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true.
- 19) **Assertion (A):** Bank overdraft is not possible to have unfavourable cash balance in the cash book.
Reason (R): As a result of this amount is overdrawn from bank.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true.
- 20) Assertion (A): Many business enterprises have shifted from manual accounting to computerised accounting.
Reason (R): Error means recording or classifying or summarising the accounting transactions wrongly or omissions to record them by a clerk or an accountant unintentionally.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 21) Assertion (A): The errors that make up for each other or neutralise each other are known as compensating errors.
Reason (R): These are also known as error of omission.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
- 22) Assertion (A): Business enterprises use certain fixed assets for the conduct of business operations.
Reason (R): The process of allocation of the relevant cost of a fixed asset over its useful life is known as depreciation.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

23) Assertion (A): Actual cost means the amount incurred in acquiring or constructing the asset.

Reason (R): If the asset is a second-hand one, the initial repair to make the asset useable is also to be taken as part of actual cost of the asset.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

24) Assertion (A): When the amount of depreciation charged over its life is plotted on a graph and the points are joined together, the graph will show a horizontal straight line.

Reason (R): Scrap value is also known as residual value.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

25) Assertion (A): Relative proportion of the amount involved is considered in distinguishing between revenue expenditure and capital expenditure.

Reason (R): Cost of acquisition of land and building, computer and air-conditioner are the examples of Revenue expenditure.

Select the correct answer.

- (a) Both (A) and (R) are true and is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

26) Assertion (A): Revenue expenditure is non-recurring in nature.

Reason (R): Receipt is shown on the liabilities side of the balance sheet.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

27) Assertion (A): Trading refers to buying and selling of goods with the intention of making profit.

Reason (R): Trading account is prepared to find out the difference between the revenue from sales and cost of goods sold.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.

(d) (A) is false, but (R) is true.

28) Assertion (A): If the total of the debit side is more, the difference represents gross profit.

Reason (R): Profit and loss account is the second part of income statement.

Select the correct answer

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

29) Assertion (A): Operating profit is the profit earned from the normal operating activities of a business entity.

Reason (R): Operating cost includes cost of goods sold and other indirect operating expenses such as office and administration and selling and distribution expenses.

Select the correct answer

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

30) Assertion (A): The unsold goods in the business at the end of the accounting period are termed as closing stock

Reason (R): Closing stock is the opening stock for the next accounting period.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

31) Assertion (A): Expenses which have been incurred in the accounting period but not paid till the end of the accounting period are called outstanding expenses

Reason (R): Drawings represent the amount or goods withdrawn by the proprietor from the business for his personal use

Select the correct answer

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true

32) Assertion (A): A computer systems has mainly three components namely, input unit, central processing unit and output unit.

Reason (R): These components are the building blocks of a computer and define its architecture

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true

33) Assertion (A): Computerised accounting system refers to the system of maintaining accounts using computers.

Reason (R): The same principles of debit and credit are equally applicable in a computerised environment

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

34) Assertion (A): Computerised Accounting System (CAS) facilitates the management and other users to maintain accounts and prepare financial statements using computers.

Reason (R): CAS is designed to automate and integrate all the business operations such as purchase, sales, finance, inventory and manufacturing.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true

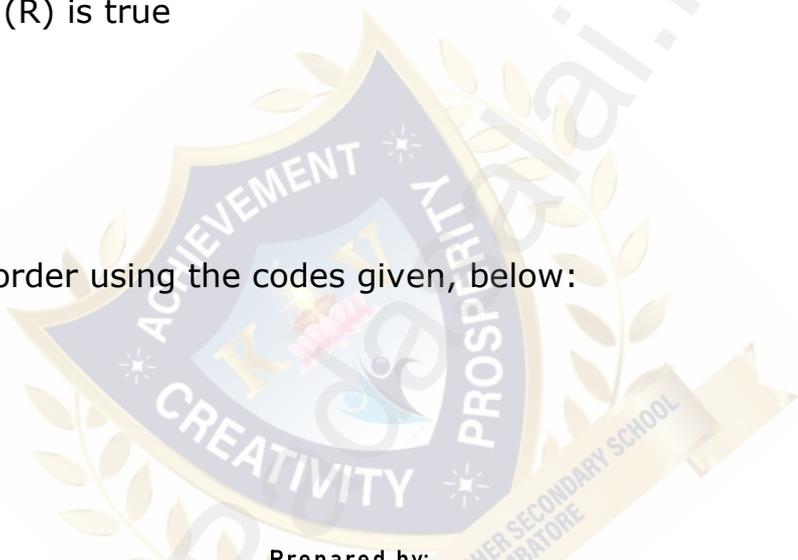
1 x 2 = 2

35) (i) Particulars

- (ii) J.F
- (iii) Amount
- (iv) Date

choose the correct order using the codes given, below:

- (a) (i) (ii) (iii) (iv)
- (b) (iv) (i) (ii) (iii)
- (c) (iv) (ii) (iii) (i)
- (d) (iii) (iv) (i) (ii)



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