



V.M.G. RAJASEKARAN–RAMANI
SRI SARADA SAKTHI
MAT. HR. SEC. SCHOOL

ACCOUNTANCY

GRADE: XI

BOOK BACK ONEWORD TEST

MARKS: 50

CHOOSE THE CORRECT ANSWER

1. 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
2. Financial position of a business is ascertained on the basis of
 - (a) Journal
 - (b) Trial balance
 - (c) Balance Sheet
 - (d) Ledger
3. Who is considered to be the internal user of the financial information?
 - (a) Creditor
 - (b) Employee
 - (c) Customer
 - (d) Government
4. The concept which assumes that a business will last indefinitely is
 - (a) Business Entity
 - (b) Going concern
 - (c) Periodicity
 - (d) Conservatism
5. 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
6. In India, Accounting Standards are issued by
 - (a) Reserve Bank of India
 - (b) The Cost and Management Accountants of India
 - (c) Supreme Court of India
 - (d) The Institute of Chartered Accountants of India
7. 'Cash withdrawn by the proprietor from the business for his personal use' causes
 - (a) Decrease in assets and decrease in owner's capital
 - (b) Increase in one asset and decrease in another asset
 - (c) Increase in one asset and increase in liabilities
 - (d) Increase in asset and decrease in capital
8. The incorrect accounting equation is
 - (a) Assets = Liabilities + Capital
 - (b) Assets = Capital + Liabilities
 - (c) Liabilities = Assets + Capital
 - (d) Capital = Assets – Liabilities
9. Accounting equation is formed based on the accounting principle of
 - (a) Dual aspect
 - (b) Consistency
 - (c) Going concern
 - (d) Accrual
10. Prepaid rent is a
 - (a) Nominal A/c
 - (b) Personal A/c
 - (c) Real A/c
 - (d) Representative personal A/c
11. Main objective of preparing ledger account is to
 - (a) Ascertain the financial position
 - (b) Ascertain the profit or loss
 - (c) Ascertain the profit or loss and the financial position
 - (d) Know the balance of each ledger account
12. The process of finding the net amount from the totals of debit and credit columns in a ledger is known as
 - (a) Casting
 - (b) Posting
 - (c) Journalising
 - (d) Balancing
13. The amount brought into the business by the proprietor should be credited to
 - (a) Cash account
 - (b) Drawings account
 - (c) Capital account
 - (d) Suspense account
14. After the preparation of ledger, the next step is the preparation of
 - (a) Trading account
 - (b) Trial balance
 - (c) Journal
 - (d) Profit and loss account
15. The trial balance contains the balances of
 - (a) Only personal accounts
 - (b) Only real accounts
 - (c) Only nominal accounts
 - (d) All accounts

16. list which contains balances of accounts to know whether the debit and credit balances are matched is
(a) Journal (b) Day book (c) Trial balance (d) Balance sheet
17. The difference of totals of both debit and credit side of trial balance is transferred to:
(a) Trading account (b) Difference account
(c) Suspense account (d) Miscellaneous account
18. Trial balance is prepared:
(a) At the end of the year (b) On a particular date
(c) For a year (d) None of the above
19. A periodic total of the purchases book is posted to the
(a) debit side of the purchases account (b) debit side of the sales account
(c) credit side of the purchases account (d) credit side of the sales account
20. Purchase returns book is used to record
(a) returns of goods to the supplier for which cash is not received immediately
(b) returns of assets to the supplier for which cash is not received immediately
(c) returns of assets to the supplier for which cash is received immediately
(d) None of the above
21. The source document or voucher used for recording entries in sales book is
(a) Debit note (b) Credit note (c) Invoice (d) Cash receipt
22. Which of the following statements is not true?
(a) Cash discount is recorded in the books of accounts
(b) Assets purchased on credit are recorded in journal proper
(c) Trade discount is recorded in the books of accounts
(d) 3 grace days are added while determining the due date of the bill
23. When a firm maintains a simple cash book, it need not maintain
(a) Sales account in the ledger (b) Purchases account in the ledger
(c) Capital account in the ledger (d) Cash account in the ledger
24. Which of the following is recorded as contra entry?
(a) Withdrew cash from bank for personal use
(b) Withdrew cash from bank for office use
(c) Direct payment by the customer in the bank account of the business
(d) When bank charges interest
25. Small payments are recorded in a book called
(a) Cash book (b) Purchase book
(c) Bills payable book (d) Petty cash book
26. bank reconciliation statement is prepared with the help of
(a) Bank statement (b) Cash book
(c) Bank statement and bank column of the cash book (d) Petty cash book
27. A bank statement is a copy of
(a) Cash column of the cash book (b) Bank column of the cash book
(c) A customer's account in the bank's book (d) Cheques issued by the business
28. Which of the following is not the salient feature of bank reconciliation statement?
(a) Any undue delay in the clearance of cheques will be shown up by the reconciliation
(b) Reconciliation statement will discourage the accountant of the bank from embezzlement
(c) It helps in finding the actual position of the bank balance
(d) Reconciliation statement is prepared only at the end of the accounting period
29. Which one of the following is not a timing difference?
(a) Cheque deposited but not yet credited
(b) Cheque issued but not yet presented for payment
(c) Amount directly paid into the bank
(d) Wrong debit in the cash book
30. Errors not affecting the agreement of trial balance are
(a) Errors of principle (b) Errors of overcasting
(c) Errors of undercasting (d) Errors of partial omission
31. The difference in trial balance is taken to
(a) The capital account (b) The trading account
(c) The suspense account (d) The profit and loss account

32. Which of the following errors will not affect the trial balance?
- (a) Wrong balancing of an account
 - (b) Posting an amount in the wrong account but on the correct side
 - (c) Wrong totalling of an account
 - (d) Carried forward wrong amount in a ledger account
33. The total of purchases book was overcast. Which of the following accounts should be debited in the rectifying journal entry?
- (a) Purchases account
 - (b) Suspense account
 - (c) Creditor account
 - (d) None of the above
34. If the total charge of depreciation and maintenance cost are considered, the method that provides a uniform charge is
- (a) Straight line method
 - (b) Diminishing balance method
 - (c) Annuity method
 - (d) Insurance policy method
35. Depreciation is caused by
- (a) Lapse of time
 - (b) Usage
 - (c) Obsolescence
 - (d) a, b and c
36. depreciable asset may suffer obsolescence due to _____
- (a) Passage of time
 - (b) Wear and tear
 - (c) Technological changes
 - (d) None of the above.
37. Residual value of an asset means the amount that it can fetch on sale at the _____ of its useful life.
- (a) Beginning
 - (b) End
 - (c) Middle
 - (d) None
38. Depreciation is to be calculated from the date when
- (a) Asset is put to use
 - (b) Purchase order is made
 - (c) Asset is received at business premises
 - (d) Invoice of assets is received
39. Expenditure incurred ₹20,000 for trial run of a newly installed machinery will be
- (a) Preliminary expense
 - (b) Revenue expenditure
 - (c) Capital expenditure
 - (d) Deferred revenue expenditure
40. Amount received from IDBI as a medium term loan for augmenting working capital
- (a) Capital expenditures
 - (b) Revenue expenditures
 - (c) Revenue receipts
 - (d) Capital receipt
41. Revenue expenditure is intended to benefit
- (a) Past period
 - (b) Future period
 - (c) Current period
 - (d) Any period
42. Closing stock is an item of .
- (a) Fixed asset
 - (b) Current asset
 - (c) Fictitious asset
 - (d) Intangible asset
43. Bank overdraft should be shown
- (a) In the trading account
 - (b) Profit and loss account
 - (c) On the liabilities side
 - (d) On the assets side
44. Current assets does not include
- (a) Cash
 - (b) Stock
 - (c) Furniture
 - (d) Prepaid expenses
45. A prepayment of insurance premium will appear in
- (a) The trading account on the debit side
 - (b) The profit and loss account on the credit side
 - (c) The balance sheet on the assets side
 - (d) The balance sheet on the liabilities side
46. Accrued interest on investment will be shown
- (a) On the credit side of profit and loss account
 - (b) On the assets side of balance sheet
 - (c) Both (a) and (b)
 - (d) None of these
47. If there is no existing provision for doubtful debts, provision created for doubtful debts is
- (a) Debited to bad debts account
 - (b) Debited to sundry debtors account
 - (c) Credited to bad debts account
 - (d) Debited to profit and loss account
48. Customised accounting software is suitable for
- (a) Small, conventional business
 - (b) Large, medium business
 - (c) Large, typical business
 - (d) None of the above
49. An example of output device is
- (a) Mouse
 - (b) Printer
 - (c) Scanner
 - (d) Keyboard
50. People who write codes and programmes are called as
- (a) System analysts
 - (b) System designers
 - (c) System operators
 - (d) System programmers