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ACCOUNTANCY**GRADE: XI****TEST NO.1****MARKS: 50****I CHOOSE THE CORRECT ANSWER**

30 X 1 = 30

- Which one of the following is not a main objective of accounting?
 - Systematic recording of transactions
 - Ascertainment of the profitability of the business
 - Ascertainment of the financial position of the business
 - Solving tax disputes with tax authorities
- Who is considered to be the internal user of the financial information?
 - Creditor
 - Employee
 - Customer
 - Government
- The rule of stock valuation 'cost price or realisable value' whichever is lower is based on the accounting principle of:
 - Materiality
 - Money measurement
 - Conservatism
 - Accrual
- 'Cash withdrawn by the proprietor from the business for his personal use' causes
 - Decrease in assets and decrease in owner's capital
 - Increase in one asset and decrease in another asset
 - Increase in one asset and increase in liabilities
 - Increase in asset and decrease in capital
- The incorrect accounting equation is
 - Assets = Liabilities + Capital
 - Assets = Capital + Liabilities
 - Liabilities = Assets + Capital
 - Capital = Assets – Liabilities
- Prepaid rent is a
 - Nominal A/c
 - Personal A/c
 - Real A/c
 - Representative personal A/c
- Main objective of preparing ledger account is to
 - Ascertain the financial position
 - Ascertain the profit or loss
 - Ascertain the profit or loss and the financial position
 - Know the balance of each ledger account
- The amount brought into the business by the proprietor should be credited to
 - Cash account
 - Drawings account
 - Capital account
 - Suspense account
- The trial balance contains the balances of
 - Only personal accounts
 - Only real accounts
 - Only nominal accounts
 - All accounts
- list which contains balances of accounts to know whether the debit and credit balances are matched is
 - Journal
 - Day book
 - Trial balance
 - Balance sheet
- Trial balance is prepared:
 - At the end of the year
 - On a particular date
 - For a year
 - None of the above
- A periodic total of the purchases book is posted to the
 - debit side of the purchases account
 - debit side of the sales account
 - credit side of the purchases account
 - credit side of the sales account
- The source document or voucher used for recording entries in sales book is
 - Debit note
 - Credit note
 - Invoice
 - Cash receipt
- When a firm maintains a simple cash book, it need not maintain
 - Sales account in the ledger
 - Purchases account in the ledger
 - Capital account in the ledger
 - Cash account in the ledger

15. Small payments are recorded in a book called
(a) Cash book (b) Purchase book
(c) Bills payable book (d) Petty cash book
16. 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
17. 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
18. 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
19. 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
20. Depreciation is caused by
(a) Lapse of time (b) Usage (c) Obsolescence (d) a, b and c
21. 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
22. 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
23. Revenue expenditure is intended to benefit
(a) Past period (b) Future period (c) Current period (d) Any period
24. 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
25. 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
26. 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
27. An example of output device is
(a) Mouse (b) Printer (c) Scanner (d) Keyboard
28. People who write codes and programmes are called as
(a) System analysts (b) System designers
(c) System operators (d) System programmers
29. 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
30. Customised accounting software is suitable for
(a) Small, conventional business (b) Large, medium business
(c) Large, typical business (d) None of the above
31. Bank overdraft is available only to the _____ holders.
(a) Fixed Account (b) Joint Account
(c) Current Account (d) Ledger Account
32. Under which of the following methods the value of Assets may be reduced to Zero?
(a) Depletion method (b) Revaluation method
(c) Sinking fund method (d) Straight line method

33. Insurance claim received on account of machinery damaged completely by fire is
 (a) Revenue receipt (b) Revenue expenditure
 (c) Capital receipt (d) Capital expenditure
34. _____ account is the second part of income statement.
 (a) Trading (b) Profit and loss
 (c) Capital (d) Cost
35. A computer system mainly has _____ components.
 (a) two (b) three (c) four (d) five

II ANSWER THE FOLLOWING

3 X 5 = 15

36. The trial balance of a trader on 31st December, 2016 shows sundry debtors as ` 50,000.

Adjustments:

- (a) Write off ` 1,000 as bad debts
 (b) Provide 5% for doubtful debts
 (c) Provide 2% for discount on debtors

Show how these items will appear in the profit and loss A/c and balance sheet of the trader.

37. Prepare profit and loss account of Manoj for the year ending on 31st March, 2016

Particulars	₹	Particulars	₹
Gross profit	25,000	Travelling expenses	500
Salaries	5,600	Stationery	75
Insurance	200	Rent	650
Discount allowed	400	Interest on loan	225
Discount received	300	Repairs	125
Commission received	100	Office expenses	55
Advertisement	450	General expenses	875
Printing charges	375	Postage	175

Adjustments:

- (i) Salary outstanding ₹ 400 (ii) Rent paid in advance ₹ 50
 (iii) Commission receivable ₹ 100

38. Prepare trading and profit and loss account and balance sheet in the books of Deri, a trader, from the following balances as on March 31, 2018.

Debit Balances	₹	Credit Balances	₹
Stock	10,000	Sales	1,22,500
Cash	2,500	Creditors	5,000
Bank	5,000	Bills payable	2,000
Freight inwards	750	Capital	1,00,000
Purchases	95,000		
Drawings	4,500		
Wages	27,500		
Machinery	50,000		
Debtors	13,500		
Postage (office)	150		
Sundry expenses	850		
Rent paid	2,500		
Furniture	17,250		
	2,29,500		2,29,500

Closing stock (31st March, 2018) ` 8,000