



V.M.G. RAJASEKARAN–RAMANI

SRI SARADA SAKTHI

MAT. HR. SEC. SCHOOL

ACCOUNTANCY**GRADE: XI****TEST NO.6****MARKS: 50****I CHOOSE THE CORRECT ANSWER**

30 X 1 = 30

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 branch of accounting?
 - (a) Financial accounting
 - (b) Management accounting
 - (c) Human resources accounting
 - (d) None of the above.
3. The concept which assumes that a business will last indefinitely is
 - (a) Business Entity
 - (b) Going concern
 - (c) Periodicity
 - (d) Conservatism
4. 'Cash withdrawn by the proprietor from the business for his personal use' causes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
5. The incorrect accounting equation is
 - (a) Assets = Liabilities + Capital
 - (b) Assets = Capital + Liabilities
 - (c) Liabilities = Assets + Capital
 - (d) Capital = Assets – Liabilities
6. Prepaid rent is a
 - (a) Nominal A/c
 - (b) Personal A/c
 - (c) Real A/c
 - (d) Representative personal A/c
7. 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
8. 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
9. The trial balance contains the balances of
 - (a) Only personal accounts
 - (b) Only real accounts
 - (c) Only nominal accounts
 - (d) All accounts
10. 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
11. Sales book is used to record
 - (a) all sales of goods
 - (b) all credit sales of assets
 - (c) all credit sales of goods
 - (d) all sales of assets and goods
12. Sales return book is used to record
 - (a) Returns of goods by the customer for which cash is paid immediately
 - (b) Returns of goods by the customer for which cash is not paid immediately
 - (c) Returns of assets by the customer for which cash is not paid immediately
 - (d) Returns of assets by the customer for which cash is paid immediately
13. A cash book with discount, cash and bank column is called
 - (a) Simple cash book
 - (b) Double column cash book
 - (c) Three column cash book
 - (d) Petty cash book
14. Petty cash may be used to pay
 - (a) The expenses relating to postage and conveyance
 - (b) Salary to the Manager
 - (c) Purchase of furniture and fixtures
 - (d) Purchase of raw materials
15. Debit balance in the bank column of the cash book means
 - (a) Credit balance as per bank statement
 - (b) Debit balance as per bank statement
 - (c) Overdraft as per cash book
 - (d) None of the above
16. 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
17. 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
18. A credit purchase of furniture from Athiyaman was debited to purchases account. Which of the following accounts should be debited while rectifying this error?
 (a) Purchases account (b) Athiyaman account (c) Furniture account (d) None of these
19. Under the written down value method of depreciation, the amount of depreciation is
 (a) Uniform in all the years (b) Decreasing every year (c) Increasing every year (d) None of the above
20. 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
21. Interest on bank deposits is
 (a) Capital receipt (b) Revenue receipt (c) Capital expenditures (d) Revenue expenditures
22. Pre-operative expenses are
 (a) Revenue expenditure (b) Prepaid revenue expenditure
 (c) Deferred revenue expenditure (d) Capital expenditure
23. Net profit of the business increases the
 (a) Drawings (b) Receivables (c) Debts (d) Capital
24. Balance sheet shows the of the business.
 (a) Profitability (b) Financial position (c) Sales (d) Purchases
25. Current assets does not include
 (a) Cash (b) Stock (c) Furniture (d) Prepaid expenses
- 26 Net profit of the business increases the
 (a) Drawings (b) Receivables (c) Debts (d) Capital
27. 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
28. Closing stock is valued at
 (a) Cost price (b) Market price (c) Cost price or market price whichever is higher
 (d) Cost price or net realisable value whichever is lower
29. In accounting, computer is commonly used in the following areas:
 (a) Recording of business transactions (b) Payroll accounting
 (c) Stores accounting (d) All the above
30. Which one is not a component of computer system?
 (a) Input unit (b) Output unit (c) Data (d) Central Processing Unit

II ANSWER THE FOLLOWING

10 X 2 = 20

31. What is meant by rectification of errors?
 32. What is meant by error of principle?
 33. What are compensating errors?
 34. State the account/s affected in each of the following errors:
 (a) Goods purchased on credit from Saranya for ₹ 150 was posted to the debit side of her account.
 (b) The total of purchases book ₹ 4,500 was posted twice.
 35. Rectify the following errors discovered before the preparation of the trial balance:
 (a) Sales book was undercast by ₹ 100
 (b) Purchases returns book was overcast by ₹ 200
 36. What is annuity method?
 37. A firm purchased a plant for ₹ 40,000. Erection charges amounted to ₹ 2,000. Effective life of the plant is 5 years. Calculate the amount of depreciation per year under straight line method.
 38. A company purchased a building for ₹ 50,000. The useful life of the building is 10 years and the residual value is ₹ 5,000. Find out the amount and rate of depreciation under straight line method.
 39. What is sinking fund method?
 40. What is meant by depreciation?