

CENTURY FOUNDATION MATRIC. HR.SEC.SCHOOL, TIRUPUR
XII - ACCOUNTANCY
UNIT -01 – INSIDE QUESTIONS

I CHOOSE THE CORRECT ANSWER

100 X 1 = 100

1. Statement of affairs is a
 - (a) Statement of income and expenditure
 - (b) Statement of assets and liabilities
 - (c) Summary of cash transactions
 - (d) Summary of credit transactions
2. The excess of assets over liabilities is
 - (a) Loss
 - (b) Cash
 - (c) Capital
 - (d) Profit
3. The amount of credit sales can be computed from
 - (a) Total debtors account
 - (b) Total creditors account
 - (c) Bills receivable account
 - (d) Bills payable account
4. What is the amount of capital of the proprietor, if his assets are Rs 85,000 and liabilities are Rs 21,000?
 - (a) Rs 85,000
 - (b) Rs 1,06,000
 - (c) Rs 21,000
 - (d) Rs 64,000
5. When capital in the beginning is Rs 10,000, drawings during the year is Rs 6,000, profit made during the year is Rs 2,000 and the additional capital introduced is 3,000, find out the amount of capital at the end
 - (a) Rs 9,000
 - (b) Rs 11,000
 - (c) Rs 21,000
 - (d) Rs 3,000
6. Opening balance of debtors: Rs 30,000, cash received: Rs 1,00,000, credit sales: Rs 90,000; closing balance of debtors is
 - (a) Rs 30,000
 - (b) Rs 1,30,000
 - (c) Rs 40,000
 - (d) Rs 20,000
7. The different between the total of assets and total of liabilities is taken as _____
 - (a) drawings
 - (b) capital
 - (c) profit
 - (d) loss
8. The total assets of a proprietor are Rs 5,00,000 His liabilities Rs 3,50,000 Then his capital in the business is _____
 - (a) Rs 8,50,000
 - (b) Rs 1,50,000
 - (c) Rs 3,50,000
 - (d) Rs 4,25,000
9. A firm has assets worth Rs 60,000 and capital Rs 45,000 Then it's liabilities is _____
 - (a) Rs 45,000
 - (b) Rs 1,05,000
 - (c) Rs 60,000
 - (d) Rs 15,000
10. Under the net worth method, the basis for ascertaining the profit is _____
 - (a) the difference between the capital on two dates
 - (b) the difference between the liabilities on two dates
 - (c) the different between the gross assets on two dates
 - (d) the difference between the gross profit on two dates
11. Credit sale is obtained from _____
 - (a) Bills receivable account
 - (b) Bills payable account
 - (c) Total debtors account
 - (d) Total creditors account
12. The capital of a business is ascertained by preparing _____
 - (a) Trading account
 - (b) Statement of profit or loss
 - (c) Balance sheet
 - (d) Statement of affairs
13. Credit purchase is obtained from _____
 - (a) Bills receivable account
 - (b) Bills payable account
 - (c) Total debtors account
 - (d) Total creditors account
14. Debtors on 1 4 2018 was Rs 1,00,000 and on 31 3 2019 was Rs 80,000 cash received from debtors during the year is Rs 1,60,000 Then the credit sales during the year is _____
 - (a) Rs 3,40,000
 - (b) Rs 2,40,000
 - (c) Rs 1,40,000
 - (d) Rs 1,60,000
15. A firms total sales is Rs 80,000 and its credit sales is Rs 60,000 Then its cash sales is _____
 - (a) Rs 1,40,000
 - (b) Rs 70,000
 - (c) Rs 20,000
 - (d) Rs 80,000
16. A firm has assets worth Rs 47,500 and liabilities Rs 17,700 Then its capital is _____
 - (a) Rs 29,800
 - (b) Rs 65,200
 - (c) Rs 35,400
 - (d) Rs 17,700
17. Companies cannot keep books on single entry system because of _____
 - (a) tax properties
 - (b) legal provisions
 - (c) both (a) and (b)
 - (d) None of these
18. Match List I with List II and Select the Correct Answer using the Codes given below

List I				List II			
(i)	Incomplete records		1		Net worth method		
(ii)	Single entry system		2		Double entry		
(iii)	Statement of affairs method		3		Small traders		
(iv)	Nominal account		4		Incomplete double system		

(a)	(i)	(ii)	(iii)	(iv)	(b)	(i)	(ii)	(iii)	(iv)
	1	2	3	4		4	3	1	2
(c)	(i)	(ii)	(iii)	(iv)	(d)	(i)	(ii)	(iii)	(iv)
	2	3	1	4		3	4	1	2

19. Match List I with List II and Select the Correct Answer using the Codes given below

List I				List II			
(i)	Nature		1		Needs and conveniences		
(ii)	Types of accounts		2		No legal obligations		
(iii)	Lack of uniformity		3		Real account and nominal accounts		
(iv)	Suitability		4		Unsystematic way of transactions		

(a)	(i)	(ii)	(iii)	(iv)	(b)	(i)	(ii)	(iii)	(iv)
	1	2	3	4		2	3	4	1
(c)	(i)	(ii)	(iii)	(iv)	(d)	(i)	(ii)	(iii)	(iv)
	4	3	1	2		3	4	2	1

20. Incomplete records are those records which are not kept under _____ system

- (a) Single entry (b) Double entry (c) Book keeping (d) none of these

21. _____ is an unscientific and unsystematic way of recording transactions

- (a) Incomplete records (b) Complete records
(c) Single entry system (d) Double entry system

22. Statement of affairs method is also called as _____ method

- (a) Net profit (b) Net loss (c) Net worth/capital comparison (d) None of these

23. _____ is a statement showing the balances of assets and liabilities on a particular date

- (a) Statement of affairs (b) Trading account (c) Profit and loss account (d) Balance sheet

24. _____ capital can be found by preparing a statement of affairs at the beginning of the year

- (a) Opening capital (b) Closing capital (c) Both (a) and (b) (d) None of these

25. A statement of affairs resembles a _____

- (a) Trading account (b) Profit and loss account (c) Balance sheet (d) Trial balance

26. Closing capital can be found by preparing a statement affairs at the _____ of the year

- (a) opening (b) end (c) centre (d) none of these

27. In _____ system, only personal and cash accounts are opened

- (a) Single entry (b) Double entry (c) Trial balance (d) Balance Sheet

28. Creditors on 1 4 2016 was Rs 80,000 and on 31 3 2017 was Rs 65,000 cash paid to creditors during the year is Rs 10,000 Then the credit purchases during the year is _____

- (a) Rs 95,000 (b) Rs 1,75,000 (c) Rs 1,95,000 (d) Rs 1,50,000

29. _____ maintains only personal and cash accounts

- (a) Single entry system (b) Double entry system (c) Both (a) and (b) (d) None of these

30. _____ is suitable only for sole traders and partnership firms

- (a) Double entry system (b) Single entry system (c) Both (a) and (b) (d) None of these

31. Single entry system keeps one cash book which mixes up business as well as _____ transactions

- (a) Private (b) Own (c) Public (d) Capital

32. True financial position cannot be ascertained as _____ is not prepared due to the absence of nominal and real accounts

- (a) Trading accounts (b) Profit and loss account (c) Balance sheet (d) Trail balance

33. If it is desired to calculate profit by preparing trading and profit and loss account under single entry then it is called _____ method

- (a) Net worth (b) Statement of affairs (c) Conversion (d) None of these

34. In single entry system of accounting _____
 (a) Dual aspects of a transaction is recorded (b) Single aspect of transaction is recorded
 (c) Important transaction are recorded (d) All of them
35. Statement of financial position from incomplete accounting record is commonly known as _____
 (a) Balance sheet (b) Cash flow statement
 (c) Statement of affairs (d) Statement of financial operations
36. In which of the following system of recording the financial statements reflect true and fair view of an entity and accounting records are considered to be more accurate?
 (a) Single entry system (b) Double entry system (c) Cash based system (d) All of them
37. Identify the correct formula used to ascertain the closing capital
 (a) Opening capital + Net income - Drawings - Assets = Closing capital
 (b) Closing capital = Opening capital + Net loss - Drawings
 (c) Closing capital = Opening capital + Assets + Income - Expenses
 (d) Closing capital = Opening capital + Net income - Drawings
38. Which of the following formulas is used to calculate the net income for an accounting period?
 (a) Net income = Opening capital + Drawings + Ending capital
 (b) Net income = - Opening capital + Drawings - Ending capital
 (c) Net income = - Opening capital + Drawings + Ending capital
 (d) Net income = Opening capital - Total assets
39. If opening capital Rs 1,000 and closing capital Rs 2000 Assuming no drawings during the accounting period, calculated the net income or loss for the period _____
 (a) Rs 1,000 net income (b) Rs 1,000 net loss (c) Rs 2,000 net income (d) Rs 2,000 net loss
40. Total opening balances of assets and liabilities are Rs 10,000 and Rs 5,000 respectively Find out the opening capital of the business _____
 (a) Rs 10,000 (b) Rs 5,000 (c) Rs 15,000 (d) Rs 50,00,000
41. Which one of the following accounts is supposed to be used to get the figure of credit purchase made during the current accounting period?
 (a) Debtors account (b) Revenue account
 (c) Creditors account (d) Expenses account
42. A method wherein omitted information is determined in the first place and by using this information net income or net loss is ascertained is known as _____
 (a) Nominal method (b) Cash method
 (c) Conversion method (d) Net profit method
43. If creditors balance was Rs 1,000 at 1st Jan 2017, ending balance of creditors was Rs 2,000 on 31st Dec 2017 and a payment of Rs 500 was made to creditors, which of the following is the amount of purchase made during the year 2017?
 (a) Rs 2,500 (b) Rs 500 (c) Rs 1,500 (d) Rs 2,000
44. If debtors balance was Rs 2 000 at 1st Jan 2017, credit sales made during the year were Rs 1,000 and Rs 1,500 were received from debtors, which of the following is the debtors account balance at 31st Dec 2017?
 (a) Rs 1,000 (b) Rs 2,000 (c) Rs 1,500 (d) Rs 500
45. Calculate the amount of net income or loss if the capital has been increased by Rs 1,000 during this accounting period drawings Rs 5,000 and Rs 1,000 fresh capital was introduced in the business ____
 (a) Rs 5,000 net loss (b) Rs 5,000 net profit
 (c) Rs 6,000 net loss (d) Rs 6,000 net profit
46. Single entry system has effect _____
 (a) One effect (b) Two effect (c) Three effect (d) None of the above
47. In single entry system, is not possible to prepare _____
 (a) Receipts and payments Account (b) Trial Balance
 (c) Balance Sheet (d) Account sales
48. In single entry system must suited where _____
 (a) Cash transactions are many (b) Cash transactions are many
 (c) Cash & Credit transactions are many (d) None of the above

49. Capital can be obtained by preparing _____
 (a) Cash Book (b) Statement of Affairs (c) Debtors Account (d) Creditors account
50. In single entry system only accounts are opened _____
 (a) Personal & cash A/c (b) Real A/c (c) Nominal A/c (d) Real & Nominal A/c
51. In single entry system profit is calculated as follows:
 (a) Opening capital + Drawings + Fresh Capital + Ending capital
 (b) Capital at the end - Drawings - Fresh capital - Opening capital
 (c) Capital at the end + Drawings - Fresh capital - Opening capital
 (d) None of the above
52. A statement of assets and liabilities prepared under the single entry system is called _____
 (a) Balance sheet (b) Financial statement (c) Cash Statement (d) Statement of Affairs
53. Net worth of an organization means the excess of its total assets over total _____
 (a) Expenses (b) Incomes (c) Liabilities (d) Both (a) & (b)
54. Statement of assets & liabilities prepared under Single entry system is called _____
 (a) Balance sheet (b) Profit & Loss Statement (c) Statement of affairs (d) Income Statement
55. Statement of assets & liabilities prepared under double entry system is called _____
 (a) Balance sheet (b) Profit & Loss Statement (c) Statement of affairs (d) Income Statement
56. More accurate profit and loss account can be prepared in _____
 (a) Modern accounting system (b) Single entry system
 (c) Double entry system (d) None of these
57. Opening capital is obtained by preparing _____
 (a) Debtors A/c (b) Creditors A/c (c) Opening Statement of Affairs (d) Cash A/c
58. If opening capital is Rs 10,000 & Closing capital is Rs 15,000 then profit or loss _____
 (a) Loss of Rs 5,000 (b) Profit of Rs 2,500 (c) Profit of Rs 5,000 (d) None of these
59. If building (Closing) Rs 1,00,000, Land (Opening) Rs 1,00,000, Creditors (Opening) Rs 10,000 the opening capital:
 (a) Rs 1,90,000 (b) Rs 2,10,000 (c) Rs 90,000 (d) None of these
60. Trial balance is not obtained in:
 (a) Double entry system (b) Modern entry system
 (c) Single entry system (d) None of these
61. In single entry two-fold aspects of transaction are not recorded, so it is _____
 (a) Complete & Scientific (b) Incomplete & Unscientific
 (c) Complete & Unscientific (d) Incomplete & Scientific
62. Single entry system is not possible for:
 (a) Sole Trader (b) Partnership (c) Joint Stock Company (d) None of these
63. Balance sheet is prepared under _____
 (a) Single entry system (b) Double entry system (c) Both (a) & (b) (d) None of these
64. In net worth method of single entry, net profit or net loss is ascertained by _____
 (a) Preparing trading and profit and loss account
 (b) Comparing opening and closing balance of capital
 (c) Adopting any other method
 (d) None of these
65. Generally, depreciation on fixed assets is calculated on which balance?
 (a) Opening Balance (b) Closing Balance
 (c) Only on additional (d) Amount realized on asset sale
66. When B/R dishonoured is shown in the _____ A/Cs
 (a) Debtors A/c is debited and Creditors A/c is credited
 (b) Creditors A/c is debited and Debtors A/c is credited
 (c) B/R account is debited and Creditors A/c is credited
 (d) Debtors A/c is debited and B/R A/c is credited
67. Effects of dishonour of B/R is given _____
 (a) Only in the B/R account (b) Only in the debtors A/c
 (c) In debtor A/c and B/R A/c (d) Only in the B/P account

68. Interest on capital is calculate on which capital
 (a) Opening capital (b) Closing capital (c) Opening Stock (d) Closing Stock
69. Closing capital can be found by preparing a statement of affairs at the _____ of the year
 (a) Opening (b) End (c) Centre (d) All of these
70. A firm has liabilities is Rs 50,000 and Capital is Rs 25,000 Then its assets is _____
 (a) Rs 1,00,000 (b) Rs 25,000 (c) Rs 50,000 (d) Rs 75,000
71. Single entry system keeps one cash book which mixes up business as well as _____ transactions.
 (a) Private (b) Public (c) Own (d) All of these
72. _____ is not based on dual aspect concept
 (a) Single entry system (b) Double entry system
 (c) Balance Sheet (d) Statement of Affairs
73. Trial balance shows machinery of Rs 2,00,000 Depreciation is provided at 10% The depreciation on machinery will be _____
 (a) Rs 20,000 (b) Rs 1,80,000 (c) Rs 2,20,000 (d) Rs 1,50,000
74. Which of the following equation(s) is (are) true
 (a) Assets = Liabilities + Capital (b) Assets - Capital = Liabilities
 (c) Both (a) & (b) (d) None of these
75. Which one is correct
 (a) Adjusting Closing Capital = Closing capital + Drawings - Additional Capital
 (b) Adjusting Closing Capital = Closing capital - Drawings - Additional Capital
 (c) Adjusting Closing Capital = Additional Capital + Drawings - Closing Capital
 (d) None of these
76. A firm's total sales is Rs 80,000 and its credit sales id Rs 60,000 then its cash sales is _____
 (a) Rs 20,000 (b) Rs 1,40,000 (c) Rs 70,000 (d) Rs 25,000
77. Debtors on 31 12 2014 is Rs 2,00,000 Cash received from debtors during the year is Rs 3,00,000 Then the credit sales during the year is _____
 (a) Rs 1,00,000 (b) Rs 2,00,000 (c) Rs 3,00,000 (d) Rs 5,00,000
78. Creditors on 1 1 2014 is Rs 1,21,000 and on 31 12 2014 Rs 1,30,000 Cash paid to creditors during the year is Rs 2,09,000 Then the credit purchase during the year is _____
 (a) Rs 2,00,000 (b) Rs 2,09,000 (c) Rs 2,18,000 (d) Rs 2,08,000
79. If adjusted closing capital is more than the opening capital, it denotes _____
 (a) Profit (b) Loss (c) Opening Capital (d) Expenses
80. Companies cannot keep books on single entry system because of _____
 (a) Tax Properties (b) Legal Provisions (c) Both (a) & (b) (d) None of these
81. Following are the limitations of incomplete records except _____
 (a) Lack of proper maintenance of records
 (b) Difficulty in preparing trial balance
 (c) Difficulty in ascertaining true profitability of the business
 (d) Suitability
82. Capital at the end - net profit + drawings =
 (a) Capital in Beginning (b) Gross profit
 (c) Interest on capital (d) Interest on drawings
83. A business is said is to be used _____ system It is not following the complete the principles of book keeping of _____ system
 (a) Double Entry - Single Entry (b) Single Entry - Double Entry
 (c) Double Entry - Double Entry (d) Single Entry - Single Entry
84. Single Entry System is _____
 (a) A scientific Method (b) An incomplete double entry system
 (c) None of those (d) All the above
85. Single Entry System will not be accepted by _____
 (a) Proprietor (b) partners (c) Tax authorities (d) All the above
86. Single Entry System capital is calculated _____
 (a) Capital = Assets - liabilities (b) Assets = Capital - liabilities

- (c) Capital = Asset + liabilities (d) Asset = liabilities - Capitals
87. Credit purchase is obtained from_____
- (a) Total Debtors Account (b) Total creditors Account
(c) Statement of affairs (d) All the above
88. Statement of affair is like a _____
- (a) Trading of account (b) profit and loss Account
(c) Balance sheet (d) Cash All
89. Capital in the beginning of the accounting year is ascertained by preparing_____
- (a) Debtors Account (b) cash Account
(c) Opening statement of Affairs (d) Balance sheet
90. In case of networks method of Single Entry System Profit is ascertained by
- (a) Comparing the capital in the beginning of the accounting period and the capital at the end of the accounting period
(b) Preparing a Profit and loss account
(c) Preparing a Balance sheet
(d) None of these
91. profit = Capital at the end + _____ - Capital introduced - Capital in the beginning
- (a) Sales (b) Drawings (c) Net Purchase (d) Net sales
92. From incomplete records it is possible to prepare_____
- (a) Ledger Accounts (b) Trial balance (c) Statement of affairs (d) Balance sheet
93. Cash received from Debtors needed for the preparation of cash account can be held from_____
- (a) Total debtors a/c (b) Balance sheet (c) Analysis of cash book (d) Sundry creditors
94. Given the opening and closing balance of Debtors and the figure of credit sales the balancing figure of total debtors account will give_____
- (a) Bills retained during the year (b) cash received from Debtors
(c) Closing balance of bills receivable (d) Cash paid to creditors
95. Statement of affairs is generally prepared to find out the_____of the business
- (a) Profit or loss (b) Financial position (c) Capital (d) Arithmetical accuracy
96. Closing Capital + Drawings - Additional Capital = _____
- (a) Adjusted Opening Capital (b) Opening Capital
(c) Profit or Loss (d) Adjusted Closing Capital
97. Match the following:
- (i) Statement of affairs (1) calculate credit sales
(ii) Single Entry (2) Calculate credit purchase
(iii) Sundry Debtors (3) Calculate the capital
(iv) Sundry creditors (4) Unscientific System
- (a) (i) (ii) (iii) (iv) (b) (i) (ii) (iii) (iv)
3 4 1 2 1 2 3 4
- (c) (i) (ii) (iii) (iv) (d) (i) (ii) (iii) (iv)
3 4 2 1 4 3 2 1
98. Match the following
- (i) Cash received (1) not entered in Single Entry System
(ii) Total sales (2) Assets - liabilities
(iii) Depreciation (3) Cash Account
(iv) Sundry creditors (4) Unscientific System
- (a) (i) (ii) (iii) (iv) (b) (i) (ii) (iii) (iv)
1 2 3 4 1 2 3 4
- (c) (i) (ii) (iii) (iv) (d) (i) (ii) (iii) (iv)
4 3 2 1 2 3 4 1
99. Assertion: Bill receivable enclosed are debited to Creditor Account

Reason: Bills receivable received from Debtors is credited to Debtors A/c

- (a) Both (A) and (R) are correct (b) (A) is correct and (R) is incorrect
(c) Both are incorrect (d) (A) is incorrect and (R) is correct

100. Which of the following items relating to bills payable is transferred to total creditors account?

- (a) Opening balance of bills payable (b) Closing balance of bills payable
(c) Bills payable accepted during the year (d) Cash paid for bills payable

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