

11TH ACCOUNTANCY (NEW SYLLABUS)

Chapter-1 Introduction To Accounting

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 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
3. 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
4. Financial position of a business is ascertained on the basis of.....
 - a) Journal b) trail balance c) balance sheet d) ledger
5. Who is considered to be the internal user of the financial information?
 - a) Creditor b) employee c) customer d) government

Chapter-2 Conceptual Framework of Accounting

1. The business is liable to the proprietor of the business in respect of capital introduced by the person according to.....
 - a) Money measurement concept b) cost concept c) business entity concept
 - d) Dual aspect concept
2. The profounder of double entry system of book-keeping is.....
 - a) J.R Batlibai b) Luca Pacioli c) Old Kesal d) Menhar

3. The concept which assumes that a business will last indefinitely is.....
- a) Business entity b) going concern c) periodicity d) conservatism
4. GAAP 's are
- a) general accepted accounting policies b) generally accepted accounting principles
c) generally accepted accounting provisions d) none of these
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. Which of the following does not follow dual aspect concept ?
- a) increases in one asset and decrease in other asset
b) increases in both asset and liability
c) decreases in one asset and decreases in other asset
d) increases in one asset and increase in capital

Chapter -3 BOOKS OF PRIME ENTRY

1. Accounting equation signifies
- a) capital of a business is equal to assets
b) liabilities of a business are equal to assets
c) capital of a business is equal to liabilities
d) assets of a business are equal to the total of capital and liabilities

2. 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
3. A firm has assets RS 100000 and the external liabilities of RS 60000 its capital would be.....
- a) RS 160000 b) RS 60000 c) RS 100000 d) RS 40000
4. The incorrect accounting equation is
- a) assets =liabilities +capital b) assets = capital +liabilities
 - c) liabilities +assets +capital d) capital + assets + liabilities
5. Accounting equation is formed based on the accounting principle of.....
- a) dual aspect b) consistency c) going concern d) accrual
6. Real account deals with
- a) individual persons b) expenses and losses c) assets d) income and gains
7. Which one of the following is representative personal account ?
- a) Buildings A/C b) outstanding salary A/C c) Mahesh A/C d) balan & co
8. Prepaid rent is a.....
- a) nominal A/C b) personal A/C c) real A/C d) representative personal A/C
9. Withdrawal of cash from business by the proprietor should be credited to
- a) drawings A/C b) cash A/C c) Capital A/C d) purchases A/C
10. In double entry system of book keeping every business transaction affects.....
- a) minimum of two accounts b) same account on two different dates
 - c) two sides of the same account d) minimum three accounts

Chapter- 4 LEDGER

1. 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
2. The process of transferring the debit and credit items from journal to ledger accounts is called
 - a) casting b) posting c) journalising d) balancing
3. J F means.....
 - a) ledger page number b) journal page number c) voucher number d) order number
4. 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
5. If the total of the debit side of an account exceeds the total of its credit side it means
 - a) credit balance b) debit balance c) nil balance d) debit and credit balance
6. 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

Chapter -5 TRIAL BALANCE

1. Trail balance is a
 - a) statement b) account c) ledger d) journal
2. After the preparation of ledger the next step is the preparation of
 - a) only personal accounts b) trail balance c) journal d) profit and loss account

3. Which of the following is/are the objective (s) of preparing trail balance ?.....
- a) serving as the summary of all the ledger accounts
 - b) helping in the preparation of final accounts
 - c) examining arithmetical accuracy of accounts
 - d) a, b and c
4. While preparing the trail balance the accountant finds that the total of the credit column is short by RS 200 this difference will be
- a) debited to suspense account
 - b) credited to suspense
 - c) adjusted to any of the debit balance
 - d) adjusted to any of the credit balance
5. A list which contains balances of accounts to know whether the debit and credit balances are matched is
- a) journal
 - b) day book
 - c) trail balance balances
6. The trail balance contains the balances of
- a) only personal accounts
 - b) only real accounts
 - c) only nominal accounts
 - d) all accounts
7. Which of the following method(s) can be used for preparing trail balance ?.....
- a) balance method
 - b) total method
 - c) total and balance method
 - d) a,b and c
8. The account which has a debit balance and is shown in the debit column of the trail balance is
- a) sundry creditors account
 - b) bills payable account
 - c) drawings account
 - d) capital account
9. The difference of totals of both debit credit side or trail balanced transferred to
- a) Trading account
 - b) Difference account
 - c) Suspense account
 - d) Miscellaneous account

10. 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

CHAPTER-6-SUBSIDIARY BOOKS- 1

1. Purchase book is used to record

- a) all purchases of goods b) all credit purchases of assets
- c) all credit purchases of goods d) all purchases of assets

2. 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

3. 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

4. The total of the sales book is posted periodically to the credit of

- a) Sales account b) Cash account c) Purchases account d) Journal proper

5. Purchases returns book is used to record.....

- a) returns of goods to the suppliers for which cash is not received immediately
- b) returns of assets to the suppliers for which cash is not received immediately
- c) returns of assets to the suppliers for which cash is received immediately
- d) none of the above

6. 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 customers 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

7. Purchases of fixed assets on credit basis is recorded in

- a) Purchases book b) Sales book c) Purchases returns book d) Journal proper

8. The source document or voucher used for recording entries in sales book is.....

- a) Debit note b) Credit note c) Invoice d) Cash receipt

9. 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

10. Closing entries are recorded in

- a) Cash book b) Ledger c) Journal proper d) Purchases book

CHAPTER-7-SUBSIDIARY BOOKS-2-CASH BOOK

1. Cash book is a.....

- a) Subsidiary book b) Principal book c) Journal proper
d) Both subsidiary book and principle book

2. The cash book records.....

- a) All cash receipts b) all cash payments c) Both (a) and (b) d) all credit transactions

3. 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

4. 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

5. In triple column cash book, the balance of bank overdraft brought forward will appear in.....
- a) Cash column debit side b) Cash column credit side
c) Bank column debit side d) Bank column credit side
6. 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
7. If the debit and credits aspects of a transaction are recorded in the cash book, it is
- a) contra entry b) compound entry c) single entry d) simple entry
8. The balance in the petty cash book is.....
- a) An expense b) a profit c) an asset d) a liability
9. 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
10. Small payments are recorded in a book called
- a) cash book b) purchase book c) bills payable book d) petty cash book

Chapter -8 BANK RECONCILIATION STATEMENT

1. A book reconciliation statement is prepared by
- a) bank b) business c) debtor to the business d) creditor to the business

2. A 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
3. 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
4. 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
5. A bank reconciliation statement is prepared to know the causes for the difference between
- a) the balance as per the cash book and bank column of the cash book
 - b) the balance as per the cash column of the cash book c) the cash book
 - d) the balance as per petty cash book and the cash book
6. When money is withdrawn from bank , the bank
- a) credits customers 's account b) debits customer's account
 - c) debits and credits customer's account d) none of these
7. 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 findings the actual position of the bank balance
 - d) reconciliation statement is prepared only at the end of the accounting period

8. Balance as per cash book is RS 2000 bank charges of RS 50 debited by the bank is not yet shown in the cash book . what is the bank statement balance now?
- a) RS 1,950 credit balance b) RS 1,950 debit balance
- c) RS 2,050 debit balance d) RS 2,050
9. Balance as per bank statement is RS 1,000 cheques deposited but not yet credited by the bank RS 2,000 what is the balance as per bank column of the cash book?
- a) RS 3,000 overdraft b) RS 3,000 favourable
- c) RS 1,000 overdraft d) 1,000 favourable
10. 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 debt in the cash book

FOR PRACTICE:

CH1	A N S	CH2	A N S	CH3	A N S	CH4	A N S	CH5	A N S	CH6	A N S	CH7	A N S	CH8	A N S
1		1		1		1		1		1		1		1	
2		2		2		2		2		2		2		2	
3		3		3		3		3		3		3		3	
4		4		4		4		4		4		4		4	
5		5		5		5		5		5		5		5	
		6		6		6		6		6		6		6	
		7		7				7		7		7		7	
				8				8		8		8		8	
				9				9		9		9		9	

				10				10		10		10		10	
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ANSWER KEY

CH1	A N S	CH2	A N S	CH3	A N S	CH4	A N S	CH5	A N S	CH6	A N S	CH7	A N S	CH8	A N S
1	B	1	C	1	D	1	D	1	A	1	C	1	D	1	B
2	D	2	B	2	A	2	B	2	B	2	A	2	C	2	C
3	D	3	B	3	D	3	B	3	D	3	C	3	D	3	A
4	C	4	C	4	C	4	D	4	D	4	A	4	C	4	C
5	B	5	C	5	A	5	B	5	B	5	A	5	D	5	C
		6	D	6	C	6	C	6	C	6	B	6	B	6	B
		7	C	7	B			7	D	7	D	7	A	7	D
				8	D			8	C	8	C	8	C	8	A
				9	B			9	C	9	C	9	A	9	B
				10	A			10	B	10	C	10	D	10	D