

Class 11
12-5-2015

First Unit Test in ACCOUNTANCY

Time : 1 hr.
M. Marks:20

Attempt all questions.

1. Distinction between Accounting and Book keeping on the basis of its objectives? (1)
2. What is meant by Management Accounting? (1)
3. Mr. Dinanath who owes us Rs. 50,000/- became insolvent and paid only 40% of this amount. What term is used for the amount not received? (1)
4. How stock is different from inventory? (1)
5. Define Accounting. State any two limitations of Accounting. (3)
6. Name the qualitative characteristics of accounting information. Explain any two of them. (3)
7. Mr. Verma purchased a machinery costing Rs. 2,50,000/- and further he decided to charge 10% depreciation per annum. Identify the types of expenditure involved in this transaction and distinction between these two types of expenditures. (Two points). (3)
8. Explain the following briefly: (3)
a) Current Assets b) Deferred revenue expenditure c) Drawings
9. Identify the Accounting principles: (4)
a) During the year St. Xavier's Senior Sec. School purchased ball points pens for Rs. 500/-. These were issued to the staff and were still in use at the end of the year. Which accounting concept you would follow in dealing with this item and why?
b) Gaurav the owner of M/s G.K & Co. purchased an air conditioner and installed it at his residence. The payment was made by issuing a cheque from the account of M/s G.K & Co. The Accountant debited the Drawings Accountant with the amount whereas Gaurav is of the view that it should be debited to the Fixed Assets. In your view who is correct and why?
c) Why the full cost of an asset is not treated as an expense in the year of its purchase?
d) Santosh is a wholesaler of readymade garments. Every year he loses certain amount, irrecoverable from his debtors. He decided to create provision for this loss. He further decided, if he receive this amount in future its 50% will be given to an orphanage. Identify the accounting principle and values.

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