

Class 11  
11-5-2016

First Unit Test in ACCOUNTANCY

Time : 1 hr.  
M. Marks : 20

1. What do you mean by Reliability in Accounting Information? (1)
2. A firm has received a large order to supply goods. Will it be recorded in the books of accounts of the firm? Give reason. (1)
3. Give one point of difference between book keeping and accounting. (1)
4. Why are the following parties interested in accounting information?  
a) Investors                      b) Government                      c) Employees (3)
5. Accounting provides information about the profitability and financial soundness of a concern. In addition, it provides various other valuable information also. However, accounting has certain limitations. Explain any three of such limitations. (3)
6. Explain the meaning of the following terms with examples :  
a) Debtors                      b) Drawings                      c) Capital Expenditure (3)
7. Mr. Sunrise started a business for buying and selling of stationery with Rs. 5,00,000 as an initial investment. Of which, he paid Rs. 1,00,000 for furniture, Rs. 2,00,000 for buying stationery items. He employed a sales person and clerk. At the end of the month he paid Rs. 5,000 as their salaries. Out the stationery bought, he sold some stationery for Rs. 1,50,000 for cash and some other stationery for Rs. 1,00,000 on credit basis to Mr. Ravi. Subsequently, he bought stationery items of Rs. 1,50,000 from Mr. Peace. In the first week of next month, there was a fire accident and he lost Rs. 30,000 worth of stationery. A part of the furniture, which cost Rs. 40,000, was sold for Rs. 45,000. From the above, answer the following :  
a) What is the amount of capital with which Mr. Sunrise started the business?  
b) What are the fixed assets he bought?  
c) What is the value of goods purchased?  
d) Who is the creditor and state the amount payable to him. (4)
8. Explain the objectives of Accounting in brief (any four points). (4)

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