

Chapter I
Introduction to Accounting

- 1- A person who owes money to the business is a (Debtor)
- 2- Amount spent for purchasing fixed asset is a (Capital expenditure)
- 3- Which qualitative characteristics of accounting information is reflected when accounting information is clearly presented.....(Understandability)
- 4- Find out the odd one out and state reason.
a) Share capital b) Debenture c) sundry creditors d) Long term loans. (Sundry creditors others are long term liabilities.)
- 5- Value of goods remaining unsold at the end of an accounting period is termed as..... (closing stock)
- 6- Arun, a sole trader, draw Rs. 500 from the business for paying tuition fees to his child. This amount is termed as..... (Drawings)
- 7-assets are those assets, which do not have physical form(Intangible)
- 8- The amount earned by a business concern through sale of its products or providing services to customers is called(Revenue)
- 9- The asset bought for long term use in the business are termed asasset(Fixed)
- 10- Analysis of recorded data to bring entries of similar nature to one place is called(classifying)
- 11- A person who entitled to get money from the business is termed as.....(creditor)
- 12- Information in financial business is based on Transaction(economic)
- 13- All claims against the business are called(Equity)
- 14- transaction is one wherein payment or receipt of money is postponed for a future date. (credit)
- 15- The ledger folio column of the journal is used to (Record the page number of the ledger account.)
- 16- Excess of assets over liability is.....(capital)
- 17- Properties used in the business is(Asset)
- 18- Claim by creditors to the property of a business(liability)
- 19- Owner's right and claims to the business.....(capital)
- 20- Asset can be converted in to cash with in an year is called.....(current asset)
- 21- The current liabilities are used to denote those liabilities which are payable.....(with in an year)
- 22- Discount allowed to a customer is To the business(Expense)
- 23- The cost incurred by a business in the process of earning revenue is.....(expense)
- 24- -Accounting provides information on
(A) Cost and income for managers (B) Company's tax liability for a particular year
(C) Financial conditions of an institution (D) All of the above (Ans: D)
- 25- The long term assets that have no physical existence but are rights that have value is known as
(A) Current assets (B) Fixed assets (C) Intangible assets (D) Investments (Ans: C)
- 26- The assets that can be converted into cash within a short period (i.e. 1 year or less) are known as
Current assets
- 27- The following is not a type of liability
(A) Short term (B) Current (C) Fixed (D) Contingent (Ans: A)
- 28- The liabilities that are payable in more than a year (Fixed liabilities)
- 29- Any written evidence in support of a business transaction is called (Voucher)
- 30- The accounts that records expenses, gains and losses are (Nominal accounts)
- 31- The process of entering all transactions from the journal to ledger is called (Posting)