



INDIAN SCHOOL SOHAR
UNIT TEST I (2024-25)
ACCOUNTANCY (055)

CLASS XI
DATE: 21/05/2024

SET-1

MAX.MARKS: 20
TIME: 40 MINUTES

GENERAL INSTRUCTIONS:

1. This question paper contains 8 questions. All questions are compulsory.
2. Question 1 to 4 carries 1 mark each.
3. Questions 5 to 6 carries 3 marks each.
4. Questions number 7 carries 4 marks
5. Questions number 8 carries 6 marks

1. The principle which underlying the creation of provision for bad and doubtful debts is: 1
 - (a) Consistency Principle
 - (b) Verifiability Principle
 - (c) Duality Principle
 - (d) Conservatism Principle

2. Business transactions are recorded 1
 - (a) in chronological order
 - (b) weekly
 - (c) at the end of the month
 - (d) All of these

OR

In the following cases when a trade discount is allowed:

- (a) at the time of receiving the payment
 - (b) at the time of sale of goods
 - (c) at the time of payments made to creditors
 - (d) in all the above

3. From the following items match Column A with meaning given in Column B. 1

Column A	Column B
1. Accrual concept	(a) Accounting information should be made available to users with in a short span of time.
2. Accounting period Concept	(b) Losses are anticipated and provided for.
3. Conservatism Concept	(c) Revenues are recognized when earned, regardless of when cash is received.

- (a) 1-(a), 2-(c), 3-(b)
 - (b) 1-(c), 2-(a), 3-(b)
 - (c) 1-(c), 2-(b), 3-(a)
 - (d) 1-(a), 2-(b), 3-(a)

4. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives. 1

Assertion (A)- It is not necessary to match “revenues” of the period with the “expenses” of that period to determine correct profit or loss for the accounting period.

Reason (R) – It is not relevant when the payment was made or received. All adjustments are made for all outstanding expenses and prepaid expenses.

Alternatives:

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

5. Why is it necessary for accountants to assume that a business entity will remain a going concern? 3
6. You are the newly appointed financial manager of a startup tech company that has recently secured significant funding to expand its operations. As part of your role, you are tasked with implementing accounting systems and practices to ensure efficient financial management and decision-making. 3
- Identify and discuss three specific advantages of an efficient accounting system.
7. Explain the following terms: 4
- (a) Drawing (b) Expense (c) Debtors (d) Inventories
8. Define accounting? Briefly explain its objectives. 6

OR

Explain the following accounting principles

- (i) Historical Cost Principle (ii) Money Measurement Principle (iii) Matching Principle