



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

CLASS XI
DATE: 21/05/2024

SET-2

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. Identify the Accounting Principle which includes the cost of acquisition that does not change year after year. 1
 - (a) Cost Concept
 - (b) Revenue Recognition
 - (c) Accounting Period
 - (d) Consistency

2. Which of the following is not a business transaction of Mr. Achuth? 1
 - (a) He bought furniture of ₹25,000 for business.
 - (b) Achuth paid salaries to employees ₹20,000.
 - (c) He withdrew cash from personal bank account, ₹10,000 for domestic use.
 - (d) All of the above.

OR

Which of the following is not an objective of accounting?

- (a) to maintain accounting records.
 - (b) to calculate the result of operations.
 - (c) to ascertain the financial position.
 - (d) To keep of record non-financial transactions.

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

Column A	Column B
1. Duality Principle	(a) Financial information is recorded and reported separately from the owner's personal financial information.
2. Business Entity Concept	(b) Transactions and events should be recorded in the financial statements only if measured in terms of money.
3. Money Measurement Principle	(c) Both the aspects of a transaction should be recorded in the books.

- (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):** The nature of capital is an internal liability.
- Reason (R):** Capital introduced by the owner is to be repayable at the time of winding up, so the owner is treated as a creditor to the extent of the amount he invested.
- In the context of the above two statements, which of the following is correct?
- (a) Both (A) and (R) are correct and (R) is the correct reason of (A).
 - (b) Both (A) and (R) are correct but (R) is not the correct reason of (A).
 - (c) (R) is correct, but (A) is wrong.
 - (d) Both (A) and (R) are wrong.
5. Why is it necessary for accountants to assume that a business should remain as a separate from its owner? 3
6. Imagine you are a financial analyst at a manufacturing company, tasked with evaluating the company's performance over the past five years. During this period, the economy experienced significant inflationary pressures, resulting in a steady increase in the price level of goods and services. Identify and explain the limitation of accounting addressed in the above paragraph. 3
- State and explain two more limitations of accounting.
7. What are the qualitative characteristics of accounting information. 4
8. Briefly explain GAAP? Explain the basic assumptions. 6
- OR**
- Briefly explain the following accounting terms:
- (a) Revenue (b) Expenditure (c) Trade Receivables (d) Discount (e) Vouchers (f) Bad debt