

QB365 Question Bank Software Study Materials

Conceptual Framework of Accounting 50 Important 1 Marks Questions With Answers (Book Back and Creative)

11th Standard

Accountancy

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 1) The business is liable to the proprietor of the business in respect of capital introduced by the person according to
(a) Money measurement concept (b) Cost concept **(c) Business entity concept** (d) Dual aspect concept
- 2) The concept which assumes that a business will last indefinitely is
(a) Business Entity **(b) Going concern** (c) Periodicity (d) Conservation
- 3) GAAPs are:
(a) Generally Accepted Accounting Policies **(b) Generally Accepted Accounting Principles**
(c) Generally Accepted Accounting Provisions (d) None of these
- 4) The rule of stock valuation 'cost price or realisable value' whichever is lower is based on the accounting principle of :
(a) Materiality (b) Money measurement **(c) Conservatism** (d) Accrual
- 5) In India, Accounting Standards are issued by
(a) Reserve Bank of India (b) The Cost and Management Accountants of India (c) Supreme Court of India
(d) The Institute of Chartered Accountants of India
- 6) _____ is the process of recording business transactions in the books of accounts in a systematic way.
(a) book keeping (b) Accountancy (c) Statistics (d) none of these
- 7) _____ said "Book keeping is an art of recording business dealings in a set of books".
(a) Norcot **(b) J.R. Batliboi** (c) R.N. Carter (d) Keynes
- 8) _____ cannot remember all the transactions for quite a long time.
(a) Owners (b) Bankers (c) Consumers **(d) Business Managers**
- 9) _____ is useful to find out tax liability in case of sales tax, income tax, property tax, etc
(a) Double entry **(b) Book keeping** (c) Economics (d) Statistics
- 10) _____ concept implies that is Accounting, every transaction, or happening or event is recorded in terms of money.
(a) Business entity **(b) Money measurement** (c) Cost (d) Full disclosure
- 11) Assets = _____.
(a) Capital - Liability **(b) Capital + Liability** (c) Capital + Investments (d) Capital + Creditors
- 12) _____ are made for outstanding and prepaid expenses and income.
(a) Adjustments (b) Journals (c) Ledger (d) Trial balance
- 13) The word _____ refers to traditions or customs.
(a) Accounting (b) Book keeping **(c) Convention** (d) None of these
- 14) _____ will be very much uneconomical to record small details in Accounting.

- (a) Full disclosure (b) Consistency **(c) Convention of materiality** (d) Convention of conservatism
- 15) Which of the following may be called the language of the business?
 (a) Economics (b) Statistics **(c) Accountancy** (d) English
- 16) Matching concept is based on the _____
 (a) Accrual Concept (b) Going concern concept (c) Money measurement concept **(d) Accounting Period Concept**
- 17) The assets are recorded in the books of accounts in the cost of acquisition based on _____
(a) Cost concept (b) Going concern concept (c) Money Measurement concept (d) Business entity concept
- 18) "Anticipate no profit and provide for all possible losses" is based on _____
 (a) Convention of consistency (b) Convention of disclosure **(c) Convention of conservatism**
 (d) Convention of materiality
- 19) ASB was constituted in India in the year of _____.
(a) 1977 (b) 1978 (c) 1979 (d) 1976
- 20) _____ is the primary share in accounting.
 (a) Journal **(b) Book-keeping** (c) ledger (d) Transactions
- 21) _____ is routine and clerical in nature.
(a) Book-keeping (b) Accounting (c) Ledger (d) Journal
- 22) _____ requires analytical skill.
(a) Accounting (b) Single entry (c) Book-keeping (d) Ledger
- 23) Cost incurred should be matched with the revenues of the particular period is based on _____ concept.
(a) matching (b) historical cost (c) full disclosure
- 24) As per dual aspect concept, every business transaction has _____.
 (a) three aspects (b) one aspect **(c) two aspects**
- 25) As per the accounting period assumption, the books of accounts are closed once in a _____.
 (a) week (b) month **(c) year**
- 26) As per the business entity concept, even for the capital given by the proprietor, he is treated as _____.
 (a) owner (b) debtor **(c) creditor**
- 27) The dual aspect concept is the basis for _____ system.
 (a) single entry **(b) double entry** (c) more entry
- 28) Under matching concept, which of the following is matched?
 (a) Cost and profit earned **(b) Cost and revenue earned** (c) Cost and loss earned
- 29) Only monetary transactions are recorded in _____ concept of accounting.
 (a) dual (b) matching **(c) money measurement** (d) prudence principle
- 30) The business is continuous in its operations for a foreseeable future comes under which concept?
 (a) Money measurement (b) Business entity **(c) Going concern concept**
- 31) Do all expenses paid during the period are considered in matching concept?

- (a) Yes **(b) No** (c) Yes or No
- 32) What is the other name for cost of acquisition?
 (a) Cost **(b) Historical cost** (c) Cost of sales
- 33) Accounting requires _____
 (a) Clerical skill **(b) Analytical skill** (c) Routine skill
- 34) Matching concept means _____.
 (a) Transactions recorded at accrual concept (b) Anticipate no profit but recognize all losses (c) Asset=capital-liabilities
(d) Expenses=Revenue
- 35) Which of the following provide framework and accounting policies so that the financial statements of different enterprises become comparable?
 (a) Business standards **(b) Accounting standards** (c) Market standards (d) None
- 36) Historical cost concept requires the recording of an asset _____.
(a) At its cost (b) At the market value (c) both (a) and (b) (d) None of these above
- 37) The rule 'every transaction affects two or more ledger accounts' is based on the concept of _____.
 (a) Going concern **(b) Double entry system of book-keeping** (c) Money measurement (d) Periodicity
- 38) Which of the following is correct about 'Accounting Concept'?
 (a) Accounting concepts are based on accounting conventions
(b) Accounting concepts are established by common accounting practices
 (c) Accounting concepts are methods or procedures accepted by general agreement
 (d) Personal judgment has no role in the adoption of accounting concepts.
- 39) Which one of the following is not a fundamental accounting assumption?
 (a) Going concern (b) Consistency **(c) Prudence** (d) Accrual
- 40) A businessman purchased goods for Rs. 25,00,000 and sold 80% of such goods during the accounting year ended 31st March 2015. The market value of the remaining goods was Rs. 4,00,000. He valued the closing inventory at cost. He violated the concept of _____.
 (a) Money measurement **(b) Conservatism** (c) Cost (d) Periodicity
- 41) As per dual aspect concept, every business transaction has _____.
 (a) Three aspects (b) One aspect **(c) Two Aspects** (d) Four Aspects
- 42) _____ said "Book-keeping is an art of recording business dealings in a set of books".
 (a) J.R. Batliboi **(b) R.N. Carter** (c) Luca Pacioli (d) Menhar
- 43) The proponent of double entry system of book-keeping is _____.
(a) J. R Batlibai (b) Luca Pacioli (c) Old Kesal (d) Menhar
- 44) Which one of the following is not an objectivity of book keeping?
 (a) To facilitate ascertainment of the profit or loss of the business during a specific period
 (b) To facilitate ascertainment of financial position
(c) To facilitate ascertainment of the cost effectiveness of the business (d) To find out the tax liabilities
- 45) Effects of price level changes are not considered in book keeping. This is one of its (book-keeping) _____.
 (a) Advantages (b) Features (c) Objectives **(d) Limitation**

- 46) The practices which are followed as a guide to the preparation of accounting statements is called _____
(a) Accounting principles (b) Accounting concepts (c) Basic assumptions **(d) Accounting conventions**
- 47) A business unit is separate and distinct from the owner or owners who supply capital to it. This statement relates to the _____
(a) Money measurement concept **(b) Business entity concept** (c) Going concern concept (d) Cost concept
- 48) Only these transactions which can be expressed in terms of money are recorded in the accounts according to the _____
(a) Money measurement concept (b) Going concern concept (c) Cost concept (d) Business entity concept
- 49) According to the Dual aspect concept _____
(a) Capital - liabilities = Assets (b) Capital + liabilities = Debt **(c) Capital + liabilities = Assets** (d) None of the above
- 50) All accounting transactions recorded should be based on objective evidence as required by the _____
(a) Realisation concept (b) Accrual concept (c) Matching concept **(d) Objective evidence concept**