

QB365 Question Bank Software Study Materials

Introduction to 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 root of financial accounting system is _____.
(a) Social accounting **(b) Stewardship accounting** (c) Management accounting (d) Responsibility accounting
- 2) Which one of the following is not a main objective of Accounting?
(a) Systematic recording of transactions (b) Ascertainment of the profitability of the business
(c) Ascertainment of the Financial position of the business **(d) Solving tax disputes with tax authorities**
- 3) Which one of the following is not a branch of accounting?
(a) Financial accounting (b) Management accounting (c) Human resources accounting **(d) None of the above**
- 4) Financial position of a business is ascertained on the basis of _____.
(a) Journal (b) Trial balance **(c) Balance Sheet** (d) Ledger
- 5) Who is considered to be the internal user of the financial information?
(a) Creditor **(b) Employee** (c) Customer (d) Government
- 6) _____ also require accounting records to submit in courts to prove their claims.
(a) Salesmen (b) Owners (c) Producers **(d) Businessmen**
- 7) Double- entry book-keeping first emerged in Italy in the _____ century.
(a) 13th **(b) 14th** (c) 18th (d) 19th
- 8) _____ provides the relevant data to make appropriate decisions.
(a) Management **(b) Accounting** (c) Accountant (d) Leadership
- 9) _____ is concerned with identification, quantification and reporting of investments made in human resources.
(a) Management Accounting **(b) Human Resource Accounting** (c) Cost Accounting (d) Financial Accounting
- 10) _____ of a firm has to make innumerable routine and strategic decisions while discharging its functions.
(a) Book-keeping (b) Accounts **(c) Management** (d) All the above
- 11) _____ ends up with the preparation of trading and profit and loss account and balance sheet.
(a) Cost Accounting (b) Human Resource Accounting (c) Management Accounting **(d) Financial Accounting**
- 12) The activities of a business, which involve transfer of money or money's worth are called _____.
(a) Transactions (b) Events (c) Accounting cycle (d) Costing
- 13) What is decreased by the amount of losses incurred and the amounts withdrawn by the proprietor?
(a) Assets (b) Liabilities (c) Capital **(d) Drawings**
- 14) The document prepared by the seller when he sells goods to the buyer is _____.
(a) Voucher **(b) Invoice** (c) Receipt (d) Ticker

- 15) Financial statements do not consider _____
(a) Assets expressed in monetary terms (b) Liabilities expressed in monetary terms
(c) Assets expressed in non-monetary terms (d) Liabilities expressed in non-monetary terms
- 16) External reporting is done for _____
(a) Journal **(b) Trial balance** (c) Balance Sheet (d) Ledger
- 17) The famous book "Arthashastra" was written by _____
(a) Kautilya (b) Chandrakupta (c) Luca Pacioli (d) Batlibai
- 18) Original entry is otherwise called _____.
(a) Journal (b) Ledger (c) Trial balance (d) Balance sheet
- 19) Transferring the entries from the journal to the ledger.
(a) Posting (b) Journal (c) Ledger (d) Transaction
- 20) Two or more business units forming a single entity is known as _____.
(a) Joint **(b) Merger** (c) Link (d) Compound
- 21) _____ is the incapability of a person or an enterprises to pay the debts.
(a) Asset (b) Liability **(c) Insolvency** (d) Sales
- 22) _____ is a statement prepared by seller and sent to the buyer.
(a) Debit (b) Credit **(c) Invoice**
- 23) _____ is an amount which is withdrawn for personal use by proprietor.
(a) Drawings (b) Capital (c) Cash (d) Credit
- 24) An activity which involves transfer of money or money's worth is _____.
(a) Debit (b) Credit **(c) Transaction**
- 25) Incapability of a person or an enterprise to pay the debts is known as _____.
(a) Solvent **(b) Insolvency** (c) Bad debt
- 26) An amount receivable or realised from sale of goods is _____.
(a) expense **(b) income** (c) loss
- 27) Balance sheet of an enterprise is known as _____.
(a) Networth (b) Net loss **(c) Financial statement**
- 28) Accounting which is used to determine the cost of products (or) services is _____ accounting.
(a) Cost (b) Financial (c) Management
- 29) Author of the famous book 'Arthasasthra' is _____.
(a) Maurya (b) Gupta **(c) Kautilya**
- 30) Who is the author of double entry book - keeping?
(a) Rosenkampf **(b) Luca Pacioli** (c) Shukla
- 31) Who is considered as the external user of financial information?
(a) Management (b) Owners **(c) Government**
- 32) Environmental pollution cost incurred by an enterprise is _____

- (a) Product cost (b) Service cost **(c) Social cost**
- 33) Interpretation and analysis of financial data are done to assess _____ in business organisation.
 (a) loss (b) profit **(c) progress**
- 34) Accounting cycle starts with _____
 (a) activity (b) profit **(c) transaction**
- 35) Indirect expenses appear in _____
 (a) Trading account **(b) Profit & loss account** (c) debts account
- 36) Goodwill is an _____
 (a) Tangible asset (b) Fictitious asset **(c) Intangible asset**
- 37) The main aim of the proprietor is to earn _____
 (a) loss (b) cash **(c) profit**
- 38) The stage of book-keeping is _____
(a) primary (b) secondary (c) last
- 39) The state of accounting is _____
 (a) primary **(b) secondary** (c) last
- 40) The accounting, concerned with taking policy decision by the management is _____ accounting.
 (a) financial **(b) management** (c) cost
- 41) The activities of a business, which involve transfer of money or goods or services between two persons or two accounts are _____
 (a) accounting (b) records **(c) transactions**
- 42) The activity of a business, which involve cash receipt or payment is _____
 (a) transaction **(b) cash transaction** (c) credit transaction
- 43) The creditors are shown in the balance sheet as _____
 (a) an asset **(b) a liability** (c) a loss
- 44) Accounts of persons with whom the business deals is known as_____
(a) Personal Account (b) Real Account (c) Nominal Account (d) Profit & loss Account
- 45) The sequence of steps involved in the accounting process is known as _____
 (a) Financial Analysis (b) Book Keeping **(c) Accounting Cycle** (d) Systematisation of Recording Transactions
- 46) Social responsibility accounting evolved _____
 (a) After the Government adopted the mixed economic system **(b) In the 21st century**
 (c) After the LPG (Liberalisation, Privatisation and Globalisation) regime (d) In the 20th century
- 47) A balance sheet can be prepared _____
 (a) Only at the end of a month (b) Only quarterly (c) Only half yearly
(d) On a particular date, normally on the last day of the accounting period
- 48) The net profit or net loss can be calculated by preparing a _____
 (a) Balance sheet (b) Trial balance **(c) Profit and loss account** (d) Trading account
- 49) Luca Pacioli an Italian developed double entry book keeping system in the year _____

(a) 1449 **(b) 1494** (c) 1944 (d) 1459

- 50) (i) The first step in the accounting process is identifying the financial transactions of a business.
(ii) Transferring the entries from the ledger to the journal is called posting.
(iii) Finding the difference between the total of the debit column and credit column of all the ledger accounts is called balancing.
- (a) (i) is correct (b) (ii) is correct **(c) (i) and (iii) are correct** (d) (i), (ii) and (iii) are correct