



# **BRAIN INTERNATIONAL SCHOOL**

**SESSION 2024-25**

**CLASS: XI**

**TERM 1 REVISION SHEET**

**SUBJECT: ACCOUNTANCY**

## **Chapter: 1 INTRODUCTION TO ACCOUNTING**

Q1. Pick the odd one out in context to the Communicating financing information to its users:

- a) Management
- b) Investors
- c) Financial Institutions
- d) Creditors

Q2. Which of the following is not a limitation of accounting?

- a) Window Dressing
- b) It ignores effect of price level changes
- c) It ignores qualitative elements
- d) Can be used as an Evidence in Court

Q3. Book-keeping mainly consists of which part of accounting process?

- a) Analysing
- b) Preparing financial statements
- c) Recording financial information
- d) Auditing the books of accounts

Q4. Explain the three branches of accounting.

Q5. Explain the four qualitative features of accounting information.

## **Chapter: 2 BASIC ACCOUNTING TERMS**

Q1. Which of the following is not recorded as 'Drawings' by the proprietor?

- a) Life insurance premium paid by the business.
- b) Income tax paid by the sole proprietorship firm.
- c) Cash withdrawn for personal use against the capital.
- d) Goods taken for personal use.

Q2. Assertion (A): Expenditure of revenue nature that give benefit for more than one accounting period is categorized as Deferred Revenue Expenditure.

Reason (R): A revenue expenditure, the benefit of which will accrue in more than one financial year and will be written off in the same manner (in more than one accounting period) is called Deferred Revenue Expenditure.

- a) Both Assertion and Reason are correct and Reason is the correct explanation of Assertion.
- b) Both Assertion and Reason are correct but Reason is not the correct explanation of Assertion.
- c) Only Assertion is correct.
- d) Only Reason is correct.

Q3. Discarding the old machinery due to new invention is called \_\_\_\_\_.

- a) Depletion
- b) Amortisation
- c) Obsolescence
- d) Depreciation

Q4. Explain Trade Discount and Cash Discount with a suitable example.

Q5. Explain the following terms:

- a) Bad Debts
- b) Capital Expenditure
- c) Revenue Receipts

### **Chapter: 3 ACCOUNTING STANDARDS**

Q1. Assertion (A): Capital is treated as liability of the business, and it is shown on the liabilities side of Balance Sheet.

Reason (R): As per the Business Entity Principle both businessman and business are separate entity.

Choose the correct option:

- a) Both Assertion and Reason are correct and Reason is the correct explanation of the Assertion.
- b) Both Assertion and Reason are correct but Reason is not the correct explanation of the Assertion.
- c) Only Assertion is correct.
- d) Only Reason is correct.

Q2. Kanika Enterprises follows the written down value method of depreciating machinery year after year due to:

- a) Comparability
- b) Convenience
- c) Consistency
- d) None of these

Q3. What do you understand by accounting principles? Explain going concern as an accounting assumption.

Q4. State the rules of accounts according to Modern Approach.

Q5. Due to which of the following window dressing is prohibited?

- a) Convention of consistency
- b) Accounting period Concept
- c) Convention of full disclosure
- d) Money measurement concept

### **CHAPTER 4: BASES OF ACCOUNTING**

Q1. Accrual Basis of Accounting recognises:

- a) Outstanding and Prepaid Expenses
- b) Accrued Incomes and Incomes Received in Advance
- c) Both (a) and (b)
- d) None of the above

Q2. If total sales during the year were ₹40,000, out of which ₹20,000 cash received during the year and bad debts were ₹1,000. The amount of revenue recognized as realized following accrual basis of accounting will be:

- a) ₹20,000
- b) ₹19,000
- c) ₹39,000
- d) ₹40,000

Q3. If total sales during the year were ₹80,000, out of which ₹50,000 cash received during the year and expenses incurred in cash were ₹10,000 and still due but not paid are ₹15,000. The amount of income recognized as realized following cash basis of accounting will be:

- a) ₹70,000
- b) ₹55,000
- c) ₹65,000
- d) ₹40,000

Q4. Cash basis of accounting is more accurate. Is the statement true or false? Give reason.

Q5. Under the Cash Basis of Accounting, expenses are recorded:

- a) On payment
- b) On being incurred
- c) Either (a) or (b)
- d) None of these

## CHAPTER 5: ACCOUNTING EQUATION

Q1. Show the accounting treatment in Accounting Equation- Interest on Drawings ₹500.

- a) Increase in liability and capital
- b) Increase in capital
- c) Decrease in capital
- d) Increase and decrease in capital only

Q2. Assertion (A): Accounting Equation means Assets are always equal to Capital & Liability.

Reason (R): Under double entry concept, every debit will have a corresponding credit.

- a) Both A and R correct.
- b) (A) is correct but (R) is not correct.
- c) Both (A) and (R) incorrect.
- d) (A) is incorrect but (R) is correct.

Q3. Prepare the Accounting Equation from the following transactions: -

- a) Ram started business with cash Rs. 20,000 and machinery Rs.40,000.
- b) Purchased goods costing Rs.5,000 from Mohan.
- c) Interest due but not received Rs.2,000.
- d) Depreciate machinery @10%.
- e) Paid Mohan Rs. 4,500 in full settlement.
- f) Prepaid rent Rs.1,000.
- g) Sold all the goods to Shyam at a profit of 5%.

Q4. On 1<sup>st</sup> April 2017, the total assets and external liabilities were Rs.1,00,000 and Rs.10,000 respectively. During the year, the proprietor introduced additional capital of Rs.50,000 and had withdrawn Rs.1 000 per

month for personal use. At the end of the year the total assets were Rs.3,00,000. Calculate capital as on 31<sup>st</sup> March 2018 and profit earned during the year.

Q5. Show the accounting treatment in Accounting Equation- Purchased shares ₹50,000.

- a) Increase in liability and capital
- b) Increase in capital
- c) Decrease in capital
- d) Increase and decrease in Asset only

## CHAPTER 6: RULES OF DEBIT AND CREDIT

Q1. On which side will the Increase in following accounts be recorded using Modern Classification of accounts?

i) Investments	v) Return Inwards
ii) Bills Payable	vi) Goodwill
iii) Rent Received	vii) Bank Overdraft
iv) Accrued Commission	viii) Outstanding Expenses

Q2. Open 'T' shape account of our creditor Ram and write the following transactions on the relevant side along with balancing:

- a) Purchased goods from Ram for Rs.50,000
- b) Returned goods to Ram for Rs.5,000
- c) Paid to Ram Rs.30,000

Q3. Give an example for each of the following types of transactions:

- a) Increase in one asset, decrease in another asset.
- b) Decrease in asset, decrease in owner's capital.
- c) Increase in one liability, decrease in another liability.
- d) Decrease in asset, decrease in liability.

Q4. Open 'T' shape account of debtor Mohan and write the following transactions on the relevant side along with balancing:

- Sold goods to Mohan for Rs.10,000
- Returned goods by Mohan for Rs.500
- Paid by Mohan Rs.3,000

Q5. Goods given as charity would be:

- a) Personal account
- b) Real account
- c) Nominal account
- d) Drawings

## CHAPTER 7: SOURCE DOCUMENTS AND PREPARATION OF VOUCHERS

Q1. Voucher is prepared for:

- a) Cash and Credit purchases
- b) Cash and credit sales
- c) Cash received and paid
- d) All of these

Q2. Is 'Cash Memo' a source document or an accounting voucher?

Q3. Prepare a specimen of Receipt.

Q4. Differentiate between cash and non-cash vouchers.

Q5. Rohan has returned goods worth ₹20,000 to Radheshyam as he found defective. Which documents will be prepared by Radheshyam?

- a) Invoice
- b) Debit note
- c) Credit voucher
- d) Credit note

## CHAPTER 8 ,9 & 12: JOURNAL, LEDGER AND GST

Q1. Assertion (A): Journal is prepared from the voucher and ledger is prepared from the journal.

Reason (R): Because voucher is evidence for each business transactions and without journal, ledger cannot be prepared.

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

Q2. Assertion (A): When total of debit side of an account is more than the total of its credit side, the account is said to have credit balance.

Reason (R): As the credit side has less total, balance amount will be brought forward to the credit side.

- a) Both (A) and (R) correct
- b) (A) is correct but (R) is not correct
- c) Both (A) and (R) Incorrect
- d) (A) is incorrect but (R) is correct

Q3. Journalise and prepare ledger from the following transactions:

- a) Rent due to Landlord Rs.40,000
- b) Received commission Rs.20,000 half of which is in advance
- c) Purchased goods for cash Rs.10,000 plus IGST @12%
- d) Paid to Creditor Rs.9,500 and Discount allowed by him Rs.500
- e) Sold goods to Shyam costing Rs.5,000; Trade Discount @10%. He paid half of the money immediately and availed cash discount of 5%. Show your workings clearly.

Q4. What are compound journal entries? Explain with the help of an example.

Q5. Goods sold for cash ₹25,000 plus 12% IGST. Sales account will be credited by

- a) ₹22,000
- b) ₹25,000
- c) ₹28,000
- d) ₹3000

Q6. Explain the meaning of CGST and SGST. Also show their accounting treatment with the help an example and pass its journal entry.

### CHAPTER 14: TRIAL BALANCE

Q1. On which side will the Decrease in following accounts be recorded using Modern Classification of accounts?

ii) Machinery	vi) Sales
iii) Salary	vii) Prepaid Insurance
v) Stock	ix) Interest Received
vi) Bad Debts	x) Leasehold Property

Q2. State the rules of accounts according to Modern Approach.

Q3. Objective of preparing trial balance is:

- a) To ascertain profit or loss of business
- b) To ascertain the financial position of business
- c) To ascertain the accuracy of accounts
- d) To ascertain the arithmetical accuracy of accounts

Q4. Which item shows a debit balance in the trial balance?

- a) Purchase return
- b) Salary outstanding
- c) Sales
- d) Prepaid expense