

## CHAPTER-1.

### INTRODUCTION TO ACCOUNTING

#### 1 Score Questions

1. Is a person to whom business owes money.  
(a) Creditor (b) Investor (c) Debtor (d) Borrower
2. Is an example of current asset.  
(a) Furniture (b) Building (c) Debtors (d) Land
3. Mention the name of the value of goods remaining unsold at the end of an accounting period  $\text{Assets} - \text{Liabilities} = \dots\dots\dots$
4. The amount invested by the owner into the business is.....  
(a) Assets (b) liabilities (c) Capital (d) Expenses
5. Mines is the examples of.....asset  
a) Tangible Assets (b) Intangible Assets (c) Wasting Assets (d) Fictitious assets.
6. Is the branch of an accounting which deals with the process of ascertainment of cost  
(a) Financial Accounting (b) Cost Accounting (c) Management Accounting  
(d) Forensic Accounting
7. Choose the correct sequence  
a) Identifying, Summarising, Classifying, Recording  
b) Identifying, Recording, Summarising, Classifying,  
c) Identifying,, Recording,, Classifying, Summarising.  
d) Identifying, Summarising, Recording, Classifying,
8. Which one of the following is not a business transaction.

a) Loss of goods by theft	b) Sold goods on credit to Hameed
c) An agreement was signed with the contractor	d) Business pays the charity

9. Identity the asset held for long term use in the business.
- 10.** Find the odd one out and state reason  
(a) Sundry Creditors (b) Bills Payable (c) Overdraft (d) Debentures
- 11.. .....is an example of fixed Asset  
(a) Sundry debtors (b) Machinery (c) Bills Receivable(d) Cash at Bank
- 11.** The withdrawal of money by the owner of business for personal use is called  
a)Purchases (b) Capital (c) Drawings (d) Sales
12. The excess of income over expenditure Is known as ....  
a) Loss (b)Surplus (c) Profit (d) Deficit

### **2 Scores Questions**

13. Classify the following Assets under appropriate heads  
(a) Cash (b) Debtors (c) Machinery (d) Land
14. Complete the series based on the hint given.  
Tangible asset .....Building  
a) Intangible asset ..... b) Fictitious asset .....
- 15.** Find the odd one out and state reason  
(a) Goodwill (b) Copyright (c) Machinery (d) Trade Mark
16. Classify the following into Capital expenditure and Revenue expenditure.
- |                |                        |
|----------------|------------------------|
| a) Salary paid | b) Machinery purchased |
| c) Wages paid  | c) Computer purchased  |
17. Suresh is a commerce student. He classified the users of accounting information into internal and external as follows. Do you agree with this classification? if any mistake, correct them.

External	Internal
Management	Owners
Bankers	Investors
Researchers	Creditors
Employees	Customers

#### **4 Scores Questions**

18. Write any four objectives of accounting .
19. Write the qualitative characteristics of accounting information system .

20. Match the following

<b>A</b>	<b>B</b>
Goodwill	Wasting assets
Debtors	Intangible asset
Oil fields	Tangible asset
Building	Current assets

21. Mr. Anil kumar is appointed as an Accountant of a firm. Explain the functions to be performed by him.



