



THE VILLAGE
INTERNATIONAL SCHOOL
"We Nurture Dreams"

Class: XI B	ACCOUNTANCY (055)	Ref. Book: NCERT
	Topic: THEORY BASE OF ACCOUNTING	Type : SHORT & LONG ANSWER
		Date of Submission:

1. Define accounting.
2. State the end product of financial accounting.
3. Enumerate main objectives of accounting.
4. Who are internal users of accounting information?
5. State the nature of accounting information required by long-term lenders.
6. Who are the external users of information?
7. Enumerate information needs of management.
8. Give any three examples of revenues.
9. Distinguish between debtors and creditors; profit and gain
10. Accounting information should be comparable'. Do you agree with this statement? Give two reasons.
11. Why is it necessary for accountants to assume that business entity will remain a going concern?
12. When should revenue be recognised? Are there exceptions to the general rule?
13. What is the basic accounting equation?
14. The realisation concept determines when goods sent on credit to customers are to be included in the sales figure for the purpose of computing the profit or loss for the accounting period. Which of the following tends to be used in practice to determine when to include a transaction in the sales figure for the period. When the goods have been:
Dispatched (b) Invoiced (c) Delivered (d) Paid for.
15. Give reasons for your answer. Complete the following worksheet:
16. If a firm believes that some of its debtors may default, it should act on this by making sure that all possible losses are recorded in the books. This is an example of the concept.

17. The fact that a business is separate and distinguishable from its owner is best exemplified by the concept.
18. Everything a firm owns, it also owns out to somebody. This co-incidence is explained by the concept.
19. The concept states that if straight line method of depreciation is used in one year, then it should also be used in the next year.
20. A firm may hold stock which is heavily in demand. Consequently, the market value of this stock may be increased. Normal accounting procedure is to ignore this because of the _____ .
21. If a firm receives an order for goods, it would not be included in the sales figure owing to the _____
22. The management of a firm is remarkably incompetent, but the firms accountants cannot take this into account while preparing book of accounts because of concept.
23. Explain Cost concept.
24. What is mean by accounting standard? What is the main objective of accounting standard?
25. Explain the following concepts.
26. Business entity concept (b) Going concern concept (c) Revenue recognition concept
27. Explain the utility of Accounting Standards.
28. Which principle assumes that a business enterprise will not be liquidated in near future? Ans. Going concern concept.
29. —Closing stock is valued lower than the market price. Which concept of accounting is applied here?
Ans. Conservatism (Prudence) concept.
30. —An asset may define as a bundle of services. — explain with an example.
31. Under which accounting principle, quality of manpower is not recommended in the books of accounts?
Ans. Money measurement concept.