

INTERNATIONAL INDIAN SCHOOL BURAIDAH

Worksheet for the Academic Year 2024-25

CLASS: 11

SUBJECT: ACCOUNTANCY(055)

CHAPTER#1 INTRODUCTION TO ACCOUNTING

CHAPTER-1: INTRODUCTION TO ACCOUNTING

Answer the following questions:

- Q1.** Which of the following is not the limitation of accounting?
a. based on accounting conventions b. incomplete information
c. evidence in legal matters d. omission of qualitative information
- Q2.** Internal users of accounting information are:
a. Potential Investors b. Creditors c. Management d. Employees
- Q3.** The process of recording, classifying and summarizing all business transactions in order to know the financial result is called –
a. book – keeping b. Journalising c. accounting d. Either a or b
- Q4.** Which one is the advantage of accounting?
a. replacement of memory
b. shows the present value of business
c. accounting does not record the price level changes
d. accounting is not fully exact
- Q5. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**
Assertion (A): The main objective of accounting is to maintain the records of the business transactions.
Reason (R): Accounting records all the transactions whether related to money or not.
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.
- Q6.** Give the meaning of Accounting. What are the advantages of Accounting?
- Q7.** Only financial transactions are recorded in Accounting. Is this a limitation of Accounting? If Yes, give reason.
- Q8.** What do you mean by Financial Accounting? Explain four main objectives of financial accounting?
- Q9.** Discuss briefly the types of Accounting Information.

CASE BASED QUESTION:

- Q10.** Ram and Shyam are two friends who both have just attended their first class of accountancy. The friends were intrigued by the different branches of accounting and their widespread application. Ram personally liked the branch of accounting in which fund flow statement and budgetary control is used and that branch helps in planning and controlling of operations. As the concept of accounting was further explored, they began discussing the different users of accounting. Ram said that he finds it interesting that even the employees demand information relating to business. Shyam said he finds more interesting the fact that even competitors want information on the relative strengths and weaknesses of the enterprise and for making comparisons, Shyam further said that even accounting helps owners to compare one year's costs, expenses, and sales with those of other years. However, they were quite shocked by the fact that the management-worker relations were not taken into consideration in the accounting. Meanwhile, Ram and Shyam had an argument at the end of the discussion. Ram

was saying that accounting is an art whereas Shyam was saying that accounting is a science. Their teacher came in and said something to them which made them stop the argument.

- i. Which limitation of accounting is being talked about by them?
 - a. Influenced by personal judgment
 - b. Omission of qualitative information.
 - c. Incomplete information
 - d. Based on historical costs
- ii. Which advantage of accounting is being talked about by Shyam in the last part of the first para?
 - a. Provides information regarding profit and loss
 - b. Provides complete and systematic record
 - c. Enables comparative study
 - d. Evidence in legal matters
- iii. What might their teacher have said to solve their argument?
 - a. Ram, please understand, Shetty is correct in this situation.
 - b. Shyam, please understand, Ram is correct in this situation.
 - c. Both are correct
 - d. None is incorrect
- iv. Shyam talked about which type of users of accounting?
 - a. Internal users
 - b. External users
 - c. Both (a) and (b)
 - d. Neither (a) nor (b)

CHAPTER-2: BASIC ACCOUNTING TERMS

Answer the following questions:

- Q1.** Cash, goods or assets invested by the proprietor in the business for earning profit is called-
 - a. profit
 - b. capital
 - c. fixed assets
 - d. Drawings
- Q2.** The person, firm or institution who does not pay the price in cash for the goods purchased or the services received is called-
 - a. creditor
 - b. proprietor
 - c. debtor
 - d. investors
- Q3.** Which of the following is a liability?
 - a. furniture
 - b. rent payable
 - c. interest received
 - d. stock
- Q4.** The Trading and Profit and Loss Account is prepared under which attribute of accounting:
 - a. summarising
 - b. recording
 - c. classifying
 - d. analysis and interpretation
- Q5. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**

Assertion (A) : Personal transactions of the owners of the business are not recorded in the books.
Reason (R) : According to the business entity concept, each business enterprise is considered as an accounting unit separate from owners

 - 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.
- Q6.** Explain the sales/ purchase include both cash and credit sales/ purchase.
- Q7.** Define the following terms with example:
 - i. Revenue
 - ii. Drawings
 - iii. Profit
- Q8.** Distinguish between opening stock and closing stock.
- Q9.** Explain the Liabilities. What are the Non-Current and Current Liabilities

CASE BASED QUESTIONS:

- Q10.** Read the following case study and answer the following questions:
Gopal started business for buying and selling of readymade garments with Rs. 8,00,000 as an

initial investment. Out of this he paid Rs. 4,00,000 for the purchase of garments and Rs. 50,000 for furniture and Rs. 50,000 for computers and the remaining amount was deposited into the bank. He sold some of the ladies and kids garments for Rs. 3,00,000 for cash and some garments for Rs.1,50,000 on credit to Rajesh.

Subsequently, he bought men's garments of Rs. 2,00,000 from Satish. In the first week of the next month, a fire broke out in his office and stock of garments worth Rs. 1,00,000 was destroyed. Later on, some garments which cost Rs. 1,20,000 were sold for Rs. 1,30,000. Expenses paid during the same period were Rs. 15,000. Gopal withdrew Rs. 20,000 from business for his domestic use.

i. What is the amount of capital with which Gopal started the business?

- a. Rs. 3,00,000 b. Rs. 8,00,000 c. Rs. 2,00,000 d. Rs.1,30,000

ii. What fixed assets did he buy?

- a. furniture Rs. 50,000 and computer Rs. 50,000
b. computer Rs. 50,000 and garments Rs. 2,00,000
c. furniture Rs. 50,000 and garments Rs. 2,00,000
d. furniture Rs.2,00,000 and computer Rs.2,00,000

iii. Who is the creditor and state the amount payable to him?

- a. Rajesh Rs. 2,00,000 b. Satish Rs. 1,50,000
c. Satish Rs. 2,00,000 d. Rajesh Rs.1,50,000

iv. What is the amount of drawings of Gopal?

- a. Rs. 20,000 b. Rs. 15,000
c. Rs. 50,000 d. Rs.30,000