

INTERNATIONAL INDIAN SCHOOL RIYADH

ACCOUNTANCY WORK SHEET 1 – CLASS 11

CHAPTER: INTRODUCTION & THEORY BASE ACCOUNTING

- Q.1 Define any two of the following terms:
(i) Assets (ii) Revenue (iii) Capital **(March 2006. Marks 2)**
- Q.2 Give examples, explain each of the following accounting terms:
(i) Short term liability (b) Revenue (iii) Fixed Assets
(March 2007. Marks 3)
- Q.3 Answer in one word:
(a) The amount invested by the owner in business.
(b) A person to whom the firm owes money
(c) Amount spent by a business in the process of earning revenue.
(March 2008. Marks 3)
- Q.4 Explain the following terms briefly:
(a) Profit (b) Expenses (c) Creditors **(March 2009. Marks 3)**
- Q.5 Explain the following terms in brief:
(i) Drawing (ii) Voucher (iii) Capital **(March 2010. Marks 3)**
- Q.6 Explain the following terms:
(a) Assets (b) Creditors (c) Capital **(March 2011. Marks 3)**
- Q.8 What are the major limitations of accounting information?
(March 2006. Marks 4)
- Q.9 Describe the Accounting informational needs of external users.
(March 2009. Marks 4)
- Q.10 Who are the users of Accounting information? What purpose does it serve to various interest groups?
(March 2005. Marks 6)
- Q.11 Explain the Matching concept **(March 2011. Marks 1)**
- Q.12 What is meant by term 'Accounting Standards'? **(March 2006. Marks 2)**

Q.13 What are Accounting Standards? **(March 2007. Marks 2)**

Q.14 Discuss cash basis as well as accrual basis of accounting.

(March 2007. Marks 2)

Q.15 What will be the effect of the following on the Accounting equations?

- a. Harish started business with cash Rs. 18,000.
- b. Purchased goods for cash Rs. 5,000 and on credit Rs. 2,000
- c. Sold goods for cash Rs. 4,000 (costing Rs. 2,400)
- d. Rent paid Rs. 1,000; and Rent Outstanding Rs. 200

(March 2005. Marks 3)

Q.16 Prepare accounting equation from the following.

- (a) Hari started business with cash Rs. 20,000
- (b) Purchased machinery on credit Rs. 4,000
- (c) Paid to creditors in full settlement Rs. 3,800
- (d) Purchase goods for cash Rs. 7,000
- (e) Sold goods for cash (costing Rs. 5,000) Rs. 4,500

(f) Paid rent Rs. 500 **(March 2007. Marks 3)**

Q.17. Fill in the blanks:

- (a) The.....concept states that is Straight line method of depreciation is used in one year, then it should also be used in the next year.
- (b) Recognition of expenses in the same period as associated revenues is calledconcept.
- (c) Revenue is generally recognized at the point of sale denoted the concept of
- (d) Recording business transaction on the basis of document is known as the principle of

(e) Theconcept requires that accounting transactions should free from the bias of accountants and others.

(f) The concept of.....assumes that business has a distinct and separate entity from its owners. **(March 2007. Marks 3)**

Q.18. Prepare Accounting Equation on the basis of the following:

(i) Started business with cash Rs. 70,000, goods Rs. 30,000 and furniture Rs. 40,000.

(ii) Bought goods for Rs. 18,000 on credit and Rs. 16,000 for cash.

(iii) Paid rent Rs. 2,000 and outstanding Rs. 1,600.

(March 2008. Marks 3)

Q.19 Prepare Accounting Equation on the basis of the following.

(i) Started business with cash Rs. 60,000.

(ii) Rent received Rs. 2,000.

(iii) Accrued Interest Rs. 500

(March 2009. Marks 3)

Q.20. Show the effect of following transactions on Accounting equation:

(i) Started business with cash amounting to Rs. 35,000 and goods Rs. 15,000

(ii) Interest due but not paid Rs. 100

(iii) Accrued interest. Rs. 500

(iv) Commission received in advance Rs. 625

(v) Interest on drawings Rs. 125

(March 2010. Marks 3)