

CLASS XI ACCOUNTANCY

BASIC ACCOUNTING TERMS

(D) Choose the best Alternate

- Q1. The term fixed assets include :
(A) Closing Stock (B) Bills Receivable
(C) Debtors (D) Furniture
- Q2. The term current assets include :
(A) Debtors (B) Motor Vehicle
(C) Machinery (D) Building
- Q3. Tangible Asset is :
(A) Goodwill (B) Stock
(C) Patents (D) Prepaid Expenses
- Q4. Intangible Asset is :
(A) Cash (B) Stock
(C) Goodwill (D) Land
- Q5. Wasting Asset is :
(A) Mines (B) Oil Wells
(C) Patents (D) All of the above
- Q6. Fixed Liabilities include :
(A) Bank Overdraft (B) Long-term Loans
(C) Short-term loans (D) Creditors
- Q7. Current Liabilities include :
(A) Bills Payable (B) Creditors
(C) Outstanding Expenses (D) All of the above

- Q8. Which of the following is capital expenditure?
(A) Wages
(B) Wages paid for building construction
(C) Repair expenses of building
(D) Advertisement Expenses
- Q9. Which of the following is Revenue Expenditure?
(A) Repair Expenses
(B) Building Construction Expenses
(C) Expenses on purchase of Machinery
(D) Purchase of Investments
- Q10. A person who owes money to the firm is called
(A) Debtor (B) Creditor
(C) Supplier (D) None of these
- Q11. A person to whom money is owed by the firm is called
(A) Debtor (B) Creditor
(C) Customer (D) None of these
- Q12. Goods means :
(A) Commodity to be bought and sold
(B) Commodity to be bought but not to be sold
(C) Commodity to be used as an asset
(D) All of the above
- Q13. Trade Discount is :
(A) Which is allowed at the time of receiving the payment
(B) Which is allowed at the time of sale of goods
(C) Which is allowed both at the time of receiving payment and sale of goods
(D) Allowed in all of the above
- Q14. Cash Discount is :
(A) Which is received at the time of making the payment
(B) Which is allowed at the time of sale of goods
(C) Which is received at the time of purchase of goods
(D) Which is received both at the time of making payment and purchase of goods

- Q 15** Current assets do not include :
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|------------------|----------------------|
| (A) Debtors | (B) Motor Car |
| (C) Bank Balance | (D) Prepaid Expenses |
- Q 16** Tangible Assets do not include :
- | | |
|--------------|---------------|
| (A) Goodwill | (B) Furniture |
| (C) Stock | (D) Cash |
- Q 17** Intangible Assets do not include :
- | | |
|-------------|----------------------|
| (A) Patents | (B) Trade Marks |
| (C) Stock | (D) Prepaid Expenses |
- Q 18** Wasting Assets do not include :
- | | |
|------------------------|-----------------|
| (A) Mines | (B) Patents |
| (C) Land and buildings | (D) Trade Marks |
- Q 19** Current Liabilities include :
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|---------------------|-------------------|
| (A) Debentures | (B) Bills Payable |
| (C) Long-term Loans | (D) Capital |
- Q 20** Current Liabilities do not include :
- | | |
|--------------------------|-----------------------|
| (A) Sundry Creditors | (B) Bills Payable |
| (C) Outstanding Salaries | (D) Prepaid Insurance |
- Q 21** Patent is :
- | | |
|--------------------|-----------------------|
| (A) Tangible Asset | (B) Intangible Asset |
| (C) Current Asset | (D) None of the Above |
- Q 22** Maruti Car is :
- | | |
|--------------------|-----------------------|
| (A) Current Asset | (B) Intangible Asset |
| (C) Tangible Asset | (D) None of the Above |
- Q 23** Any expenditure, the full benefit of which is received during one accounting period is termed as :
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|-------------------------|-------------------------|
| (A) Current Liability | (B) Current Asset |
| (C) Capital Expenditure | (D) Revenue Expenditure |
- Q 24** Which of the following will be treated as drawings :
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| (A) Withdrawing money for payment of salary to employees |
| (B) Withdrawing money for payment to creditors |
| (C) Withdrawing money from business for private expenses |
| (D) Withdrawing money for purchase of asset |
- Q 25** Main feature of business transaction is :
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| (A) It involves an economic activity |
| (B) It results in a change in the financial position of the firm |
| (C) Change must be capable of being expressed in terms of money |
| (D) All of the above |
- Q 26** Current Liabilities do not include :
- | | |
|----------------------|----------------|
| (A) Bills Payable | (B) Creditors |
| (C) Outstanding Exp. | (D) Debentures |
- Q 27** Purchases refers to the buying of
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|-------------------------------|----------------------------|
| (A) Stationery for office use | (B) Assets for the factory |
| (C) Goods for resale | (D) Investment |
- Q 28** The term sales is used only for the sales of and is never used for the sale of
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|------------------------------|-------------------|
| (A) Assets, Investments | (B) Assets, Goods |
| (C) Intangible Assets, Goods | (D) Goods, Assets |
- Q 29** Out of the following assets which one is NOT an intangible asset?
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| (A) Patents | (B) Investments |
| (C) Goodwill | (D) Trademark |