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Questions:

Choose the correct pair

1. Which one of the Following is Correctly Matched?

(a)	Adjusted closing capital	=	Closing capital - Drawings - Additional capital
(b)	Profit/Loss	=	Closing capital + Drawings - Additional Capital - Opening capital
(c)	Capital	=	Assets + Liabilities
(d)	Closing capital	=	Opening capital + Drawings

Odd one out

2. (a) Incomplete
(b) Unsystematic
(c) Balance Sheet
(d) Unscientific

3. (a) Statement of affairs
(b) Net worth method method
(c) Annuity method
(d) Capital comparison method

4. (a) Conversion method
(b) Statement of affairs method
(c) Straight line method
(d) Net worth method

Assertion and reason

5. Assertion (A): Single Entry System is an incomplete, inaccurate, unscientific and unsystematic system of book keeping.
Reason (R): The name of the system itself shows that the double aspects of business transactions are recorded.
(a) Both (A) and (R) are true and (R) is the correct explanation (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

6. Assertion (A): Single Entry System is a system of book keeping in which as a rule, only records of cash and personal accounts are maintained,
Reason (R): It is always incomplete double entry varying with circumstances.
(a) Both (A) and (R) are true and (R) is the correct explanation (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

7. Assertion (A): The single entry system is suitable only for sole traders and partnership firms.
Reason (R): Companies cannot keep books on Double entry system because of legal provisions.
(a) Both (A) and (R) are true and (R) is the correct explanation (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

8. Assertion (A): Double Entry System It maintains only personal and cash accounts.
Reason (R): Personal accounts are not maintained.
(a) Both (A) and (R) are true and (R) is the correct explanation (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

9. Assertion (A): Single entry actually refers to incomplete double entry system or the double entry system.
Reason (R): It is not based on Single aspect concept. Hence it is incomplete, inaccurate and unscientific.
(a) Both (A) and (R) are true and (R) the correct explanation (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

10. GP 20% SALES?

One or Two Words / Correct Statement

11. (i) Double Entry System is an incomplete, inaccurate" unscientific and unsystematic system of book keeping.
(ii) The Double entry system is suitable only for sole traders and partnership firms.
(iii) Single Entry System is an incomplete, inaccurate, unscientific and unsystematic system of book keeping.
(a) (i) is correct
(b) (ii) is correct
(c) (iii) is correct
(d) (i) and (ii) are correct

12. (i) Incomplete records system makes use of Double Entry System partially. It maintains only personal and cash accounts.
(ii) Thus, Double entry actually refers to incomplete Single entry system or the defective Single entry system.
(iii) Single entry is Debit and credit aspects of all transactions are recorded.
(a) (i) is correct

(b) (ii) is correct
(c) (iii) is correct
(d) (i) and (ii) are correct

13. (i) Single entry is Debit and credit aspects of all transactions are recorded.
(ii) Single Entry System is a system of book keeping in which as a rule, only records of cash and personal accounts are maintained.
(iii) Double Entry System is an incomplete, inaccurate, unscientific and unsystematic system of book keeping.
(a) (i) is correct
(b) (ii) is correct
(c) (iii) is correct
(d) (i) and (ii) are correct

14. (i) Companies cannot keep books on double entry system because of legal provisions.
(ii) It is always incomplete Single entry varying with circumstances.
(iii) Single entry actually refers to incomplete double entry system or the defective double entry system.
(a) (i) is correct
(b) (ii) is correct
(c) (iii) is correct
(d) (i) and (ii) are correct

15. (i) Double entry actually refers to incomplete Single entry system or the defective Single entry system.
(ii) Double Entry System is a system of book keeping in which as a rule, only records of cash and personal accounts are maintained.
(iii) If it is desired to calculate profit by preparing Trading and Profit and Loss account under single entry then it is called conversion method.
(a) (i) is correct
(b) (ii) is correct
(c) (iii) is correct
(d) (i) and (ii) are correct

Multiple Choice Question

16. The different between the total of assets and total of liabilities is taken as _____
(a) drawings (b) capital (c) profit (d) loss

17. A firm has assets worth Rs. 60,000 and capital Rs. 45,000.Then it's liabilities is _____
(a) Rs. 45,000 (b) Rs. 1,05,000 (c) Rs. 60,000 (d) Rs. 15,000

18. Debtors on 1.4.2018 was Rs. 1,00,000 and on 31.3.2019 was Rs. 80,000 cash received from debtors during the year is Rs. 1,60,000. Then the credit sales during the year is _____
(a) Rs. 3,40,000 (b) Rs. 2,40,000 (c) Rs. 1,40,000 (d) Rs. 1,60,000

19. A firm has assets worth Rs. 47,500 and liabilities Rs. 17,700. Then its capital is _____
(a) Rs. 29,800 (b) Rs. 65,200 (c) Rs. 35,400 (d) Rs. 17,700

20. Match List I with List II and Select the Correct Answer using the Codes given below.

List I		List II	
(i)	Nature	1.	Needs and conveniences
(ii)	Types of accounts	2.	No legal obligations
(iii)	Lack of uniformity	3.	Real account and nominal accounts
(iv)	Suitability	4.	Unsystematic way of transactions

(a)

(i)	(ii)	(iii)	(iv)
1	2	3	4

(b)

(i)	(ii)	(iii)	(iv)
2	3	4	1

(c)

(i)	(ii)	(iii)	(iv)
4	3	1	2

(d)

(i)	(ii)	(iii)	(iv)
3	4	2	1

21. Statement of affairs method is also called as _____ method.
(a) Net profit (b) Net loss (c) Net worth/capital comparison (d) None of these

22. Closing capital can be found by preparing a statement affairs at the _____ of the year.
(a) opening (b) end (c) centre (d) none of these

23. In _____ system, only personal and cash accounts are opened.
(a) Single entry (b) Double entry (c) Trial balance (d) Balance Sheet

24. _____ maintains only personal and cash accounts.
(a) Single entry system (b) Double entry system (c) Both (a) and (b) (d) None of these

25. Single entry system keeps one cash book which mixes up business as well as ____ transactions.
(a) Private (b) Own (c) Public (d) Capital

26. If it is desired to calculate profit by preparing trading and profit and loss account under single entry then it is called _____ method.
(a) Networth (b) Statement of affairs (c) Conversion (d) None of these

27. Statement of financial position from incomplete accounting record is commonly known as _____
(a) Balance sheet (b) Cash flow statement (c) Statement of affairs (d) Statement of financial operations

28. In which of the following system of recording the financial statements reflect true and fair view of an entity and accounting records are considered to be more accurate?
(a) Single entry system (b) Double entry system (c) Cash based system (d) All of them

29. If opening capital Rs. 1,000 and closing capital Rs. 2000. Assuming no drawings during the accounting period, calculated the net income or loss for the period _____
(a) Rs.1,000 net income (b) Rs.1,000 net loss (c) Rs.2,000 net income (d) Rs.2,000 net loss

30. Total opening balances of assets and liabilities are Rs. 10,000 and Rs. 5,000 respectively. Find out the opening capital of the business _____
(a) Rs. 10,000 (b) Rs. 5,000 (c) Rs. 15,000 (d) Rs. 50,00,000

31. Calculate the amount of net income or loss if the capital has been increased by Rs. 1,000 during this accounting period drawings Rs. 5,000 and Rs. 1,000 fresh capital was introduced in the business _____
(a) Rs. 5,000 net loss (b) Rs. 5,000 net profit (c) Rs. 6,000 net loss (d) Rs. 6,000 net profit

32. Capital can be obtained by preparing _____
(a) Cash Book (b) Statement of Affairs (c) Debtors Account (d) Creditors account

33. In single entry system only accounts are opened _____
(a) Personal & cash A/c (b) Real A/c (c) Nominal A/c (d) Real & Nominal A/c

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34. A statement of assets and liabilities prepared under the single entry system is called _____
(a) Balance sheet (b) Financial statement (c) Cash Statement (d) Statement of Affairs

35. Net worth of an organization means the excess of its total assets over total _____
(a) Expenses (b) Incomes (c) Liabilities (d) Both (a) & (b)

36. Statement of assets & liabilities prepared under Single entry system is called _____
(a) Balance sheet (b) Profit & Loss Statement (c) Statement of affairs (d) Income Statement

37. Statement of assets & liabilities prepared under double entry system is called _____
(a) Balance sheet (b) Profit & Loss Statement (c) Statement of affairs (d) Income Statement

38. Opening capital is obtained by preparing _____
(a) Debtors A/c (b) Creditors A/c (c) Opening Statement of Affairs (d) Cash A/c

39. If building (Closing) Rs. 1,00,000, Land (Opening) Rs. 1,00,000, Creditors (Opening) Rs. 10,000 the opening capital:
(a) Rs. 1,90,000 (b) Rs. 2,10,000 (c) Rs. 90,000 (d) None of these

40. Single entry system is not possible for:
(a) Sole Trader (b) Partnership (c) Joint Stock Company (d) None of these

41. In net worth method of single entry, net profit or net loss is ascertained by _____
(a) Preparing trading and profit and loss account (b) Comparing opening and closing balance of capital (c) Adopting any other method (d) None of these

42. When B/R dishonoured is shown in the _____ A/Cs
(a) Debtors A/c is debited and Creditors A/c is credited (b) Creditors A/c is debited and Debtors A/c is credited (c) B/R account is debited and Creditors A/c is credited
(d) Debtors A/c is debited and B/R A/c is credited

43. _____ is not based on dual aspect concept
(a) Single entry system (b) Double entry system (c) Balance Sheet (d) Statement of Affairs

44. Trial balance shows machinery of Rs. 2,00,000. Depreciation is provided at 10%. The depreciation on machinery will be_____
(a) Rs. 20,000 (b) Rs. 1,80,000 (c) Rs. 2,20,000 (d) Rs. 1,50,000

45. Debtors on 31.12.2014 is Rs. 2,00,000. Cash received from debtors during the year is Rs. 3,00,000. Then the credit sales during the year is _____
(a) Rs. 1,00,000 (b) Rs. 2,00,000 (c) Rs. 3,00,000 (d) Rs. 5,00,000

46. Following are the limitations of incomplete records except _____
(a) Lack of proper maintenance of records (b) Difficulty in preparing trial balance (c) Difficulty in ascertaining true profitability of the business (d) Suitability

47. Credit purchase is obtained from_____.
(a) Total Debtors Account (b) Total creditors Account (c) Statement of affairs (d) All the above

48. Capital in the beginning of the accounting year is ascertained by preparing_____
(a) Debtors Account (b) cash Account (c) opening statement of Affairs (d) Balance sheet

49. From incomplete records it is possible to prepare_____.
(a) Ledger Aciotrnts (b) Trial balance (c) Statement of affairs (d) Balance sheet

50. Cash received from Debtors needed for the preparation of cash account can be held from_____.
(a) Total debtors account (b) Balance sheet (c) Analysis of cash book (d) Sundry creditors

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