Capital and Revenue Transactions-1

Model Exam Question paper - 1

11th Standard

Accountancy

Reg.No. :

I.Answer all the questions

Time : 00:35:00 Hrs

Total Marks : 20

Part-A

8 x 1 = 8

1) Transaction which provides benefit to the business for more than one year is called as

(a) Capital transaction (b) Revenue transaction (c) Neither of the two

2) Amount spent on remodeling an old car is example of

(a) Deferred revenue expenditure (b) Revenue expenditure (c) Capital expenditure

3) Shankar introduces Rs. 50,000 as additional capital in the business, This amount will be considered as ....

(a) Capital receipt (b) Revenue receipt (c) Both

4) Revenue receipts are .... in the business

(a) Non-recurring (b) Recurring (c) Neither of the above

5) Venkatesh purchases goods worth, Rs.80,000 for the purpose of selling. This amount will be treated as

(a) Capital expenditure (b) Revenue expenditure (c) Deferred revenue expenditure

6) Expenses on advertisement will be classified under

(a) Capital expenditure (b) Revenue expenditure (c) Deferred revenue expenditure

7) A plant worth Rs. 8,00,00 is sold for 8,500; the capital receipt amounts to

(a) Rs. 8,000 (b) Rs. 8,500 (c) Rs. 500

8) The net loss which arises in a business is an example of

(a) Revenue loss (b) Capital Loss (c) Neither of the two

Part-B

6 x 2 = 12

9) What are the capital profits?

10) What is revenue transactions?

11) What are capital transactions?

12) What are Revenue profits?

13) Shyam & Co., incurred the following expenses during the year 2003. Classify the following items under capital or revenue. (i) Purchase of furniture Rs.1,000. (ii) Purchase of second-hand machinery Rs.4,000 (ii0 Rs.50 paid for carriage on goods purchased. (iv) Rs.175 paid for repairs on second-hand machinery as soon as it was purchased. (v) Rs.600 wages paid for the installation of plant.

14) Har&Co incurred the following expenses during the year 2003. Classify the expenses as capital and revenue. (i) Rs.750 spent towards replacement of a worn out part in a machinery. (ii) Rs.1,500 spent for legal expenses in relation to raising of a loan for the business (iii) Rs.300 spent for ordinary repairs of plant (iv) Rs.6,000 spent on replacing a petrol driven engine by a diesel driven engine (v) electricity charges Rs.1,200 per month.

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