



**INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE**

UNIT TEST I -2025-26

ACCOUNTANCY (055)

CLASS: XI

MARKS: 30

DATE: 25/05/2025

TIME: 1 HOUR

Instructions:

- 1. All questions are compulsory.*
- 2. Read the questions carefully and show all workings clearly.*
- 3. Attempt all the parts of the questions at one place.*
- 4. While answering the MCQ's write the selected option number along with the answer.*

Q. NO.	QUESTIONS	MARKS
1.	Which of the following user, requires accounting information to check the long-term solvency of an enterprise? A. Management B. Banks C. Government D. Creditors	1
2.	Which of the following best explains Bookkeeping? A. Book keeping is analytical in nature. B. Book keeping starts where accounting ends C. Book keeping has wider scope then accounting. D. Book keeping includes recording but not interpretation.	1
3.	A firm purchased stock at ₹50,000. Its market value is now ₹30,000. The stock is recorded at ₹30,000 due to: A. Going Concern Concept. B. Conservatism Concept. C. Money Measurement Concept. D. Cost Concept.	1

4.	The qualitative characteristics which requires accounting information to be free from error is _____. A. Relevance B. Reliability C. Understandability D. Comparability	1
5.	Which one of the following is a revenue expenditure? A. Purchase of fixed assets B. Capital introduced by the owner C. Payment of salary to staff D. Sale of fixed assets.	1
6.	Rent received in advance is an example of _____. A. Current Asset B. Non-Current Asset C. Current Liability D. Non-Current liability	1
7.	The amount earned by a business through incidental activities which are irregular in nature is called _____. A. Profit. B. Income C. Revenue D. Gain	1
8.	The credit note is used as a documentary evidence when/while A. while selling goods on credit to a customer B. while depositing cash into a bank C. when goods are returned by a customer D. when goods are returned to the supplier.	1
9.	A seller has allowed a customer a trade discount. Why did the seller allow this discount to the customer? A. The customer agreed to buy regularly from him. B. The customer promised that he will refer about the shop to his friends. C. The customer paid the amount within the stated time. D. The customer purchased in bulk.	1
10.	Which of the following best describes the deferred revenue expenditure in accounting terms?	1

	<p>A. Gives benefit up to 1 year.</p> <p>B. Gives benefit for more than 5 years.</p> <p>C. Gives benefit for more than 1 year but less than 5 years.</p> <p>D. Gives benefit for less than 1 year.</p>	
11.	<p>Sales revenue is recognized in the books on the basis of an invoice is an example of which concept:</p> <p>A. Revenue recognition concept</p> <p>B. Business entity concept.</p> <p>C. Verifiable Objective concept.</p> <p>D. Matching concept.</p>	1
12.	<p>The branch of accounting which helps in determining the performance and position of the business is _____</p> <p>A. Cost accounting</p> <p>B. Management accounting</p> <p>C. Financial accounting</p> <p>D. Forensic accounting</p>	1
13.	<p>Copyrights and Designs are examples of _____ assets.</p> <p>A. Tangible</p> <p>B. Current</p> <p>C. Intangible</p> <p>D. Liquid</p>	1
14.	<p>Mahi owns a computer shop and sells computer accessories to different schools and offices on credit. He keeps a record of each transaction and follow it up with his customers to recover the amount on time.</p> <p>Which accounting voucher will he use to record the sale of goods to his customers?</p> <p>A. Invoice</p> <p>B. Cash Memo</p> <p>C. Cash voucher</p> <p>D. Transfer voucher</p>	1
15.	<p>According to the accrual basis of accounting the transactions will be recorded in the books of account when _____</p> <p>A. they are settled</p> <p>B. they take place</p> <p>C. the cash is paid or received</p> <p>D. the order is placed</p>	1

16.	Explain 3 limitations of accounting.	3
17.	(a) Explain Going concern concept with example. (b) State any two objectives of Indian Accounting Standards.	4
18.	Show the accounting equation for the following transactions in the books of (i) Started business with cash ₹45,000; Machinery ₹50,000 and creditors ₹5,000. (ii) Purchased goods from Rohan ₹6,000 (iii) Sold goods costing ₹5,000 for ₹7,000. (iv) Paid wages ₹2,000 & wages due are ₹1,000 (v) Paid ₹10,000 to creditors in full settlement of their account. (vi) The machinery is to be depreciated @10% p.a (vii) Allowed interest on capital ₹2,000	8