



INDIAN SCHOOLAL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet no: 1	Topic: Introduction to Accounting

I Complete the following sentences with appropriate words:

- (a) Information in financial reports is based on
- (b) Internal users are the of the business entity.
- (c) A would most likely use an entities financial report to determine whether or not the business entity is eligible for a loan.
- (d) The Internet has assisted in decreasing the in issuing financial reports to users.
- (e) users are groups outside the business entity, who uses the information to make decisions about the business entity.
- (f) Information is said to be relevant if it is
- (g) The process of accounting starts with and ends with
- (h) Accounting measures the business transactions in terms of units.
- (i) Identified and measured economic events should be recording in order

II Name the stakeholder group who would require the given information:

- (a) the VAT and other tax liabilities of the firm
- (b) the potential for pay awards and bonus deals
- (c) the ethical or environmental activities of the firm
- (d) whether the firm has a long-term solvency
- (e) profitability to provide dividend and market price of shares.
- (f) the ability of the firm to carry on providing a service or producing a product.

III Tick the Correct Answer

1. Which of the following is not a business transaction?
 - a. Bought furniture of Rs10,000 for business
 - b. Paid for salaries of employees Rs 5,000
 - c. Paid sons fees from her personal bank account Rs 20,000
 - d. Paid sons fees from the business Rs 2,000

2. Which is the last step of accounting as a process of information?
 - a. Recording of data in the books of accounts
 - b. Preparation of summaries in the form of financial statements
 - c. Communication of information
 - d. Analysis and interpretation of information

3. Which qualitative characteristics of accounting information is reflected when accounting information is clearly presented?
 - a. Understandability

- b. Relevance
- c. Comparability
- d. Reliability

4. Use of common unit of measurement and common format of reporting promotes;

- a. Comparability
- b. Understandability
- c. Relevance
- d. Reliability

5. What is the next step of accounting after Identifying and measuring the financial transactions?

- (a) Classifying
- (b) Summarizing
- (c) Recording
- (d) Analysis and Interpretation

6. Pick the odd one out in context to the Communicating financing information to the its users:

- (a) Management
- (b) Investors
- (c) A Social & Cultural Club
- (d) Creditors

7. Which of the following will not be recorded in the books of account?

- (a) Sales of goods at ₹ 12,000
- (b) Payment of salary ₹ 6,000
- (c) Quality of staff
- (d) Purchase of Goods for ₹ 3,000

8. The revenues and expenses of a company are displayed in which statement?

- a. Balance Sheet

b. Cash Flow Statement

c. Income Statement

d. None of the above

9. Transaction is referred as which event in accounting?

a. Political Event

b. Economic Event

c. Dividend

d. Cash Transaction

IV. Answer the following:

a. Distinguish between Profit and gain.

b. What is the end product of financial accounting?

c. Name the branch of accounting which helps in solving cyber-crimes.

d. State the informational needs of trade unions.

e. Define accounting information and state its types