

Definition and Objects of Financial Accounting



<https://www.entri.me>



<https://play.google.com/store/apps/details?id=me.entri.entri.me>

1. Who among the following is considered as the ‘father of accounting’?

A Henry Dunant

B Robert Stephenson

C Luca Pacioli

D Elton Mayo

2. The principles of double entry system were propounded first time by

-----.

A Huge Old Kessel

B Lucas Pacioli

C Batliboi

D William Pickles

3. Accounting process does not include _____.

A Recording

B Classifying

C Simplifying

D Summarising

ENTRI

4. Which of the following is not the characteristic of accounting information?

A Understandability

B Relevance

C Proficiency

D Reliability

5. Which one of the following statements is not true?

A The job of book-keeping is analytical in nature.

B Book-keeping is an art as well as a science of recording business transactions.

C Transactions are recorded in a certain set of books.

D Book-keeping is the method of recording in account books.

6. Which one is not the objective of bookkeeping?

A To know the number of workers.

B To ascertain profit and loss.

C To ascertain financial position.

D To ascertain cash position.

7. **GAAP** is the acronym for _____.

A Grossly Accepted Accounted Principles.

B General Annual Accounting Principles.

C Globally Accepted Accounted Principles.

D Generally Accepted Accounting Principles.

8. **Management Accounting deals with _____.**

A Quantitative information

B Qualitative information

C Both a and b

D None of the above

ENTRI

9. An asset shall be classified as Current when it satisfies any of the following _____.

A

It is expected to be realised in, or is intended for sale or consumption in the Company's normal Operating cycle

B

It is held primarily for the purpose of being traded

C

It is due to be realised within 12 months after the Reporting Date

D

All of the above

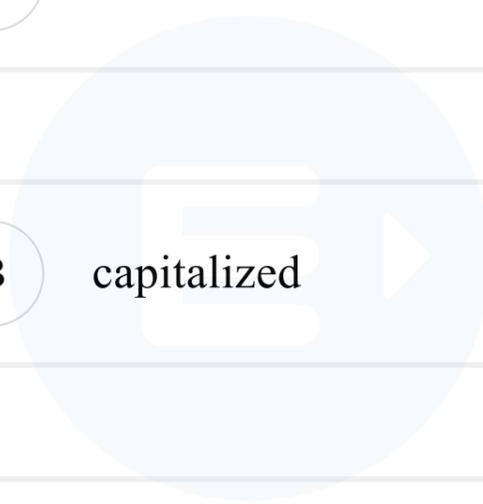
10. As regards the accounting treatment, Legacy should be _____.

A treated as loss

B capitalized

C treated Revenue Expenses

D treated Deferred Revenue

 ENTRI

11. **Endowment fund receipt is treated as _____.**

A Capital Receipt

B Revenue Receipt

C Loss

D Expenses

ENTRI

12. The cash discount is allowed by _____ to the _____ .

A Debtor, Creditor

B Creditor, Debtor

C Buyer, Seller

D Customer, Supplier

ENTRI

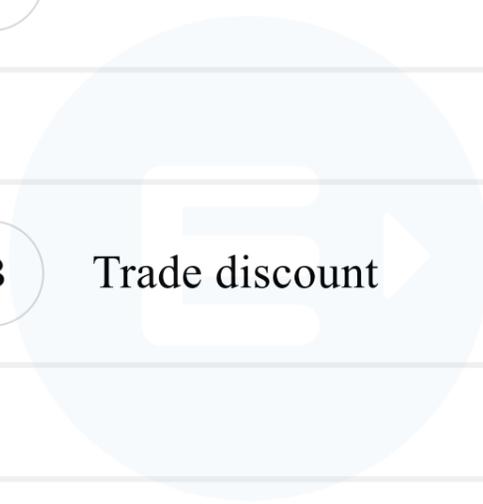
13. The _____ discount is never entered in the books of accounts.

A Cash discount

B Trade discount

C Quantity discount

D Seasonal discount

 ENTRI

14. Vehicles represent _____ expenditure while repairs to vehicle would mean _____ expenditure.

A Capital, Revenue

B Revenue, Capital

C Deferred, Revenue

D Capital, Deferred

15. Net worth is excess of _____ over _____ .

A Capital, Drawings

B Income, Expenses

C Total assets, total liabilities

D Total liabilities, Total assets

16. An amount spent for replacement of worn out part of machine is

----- •

A Capital Expenditure

B Revenue Expenditure

C Deferred revenue

D Capital Loss

17. The cost of a Fixed Assets of a business has to be written off over its

----- •

A Natural Life

B Accounting Life

C Physical Life

D Estimated Economic Life

18. Which of the following is an example of Personal Account?

A Machinery

B Rent

C Cash

D Creditor

ENTRI

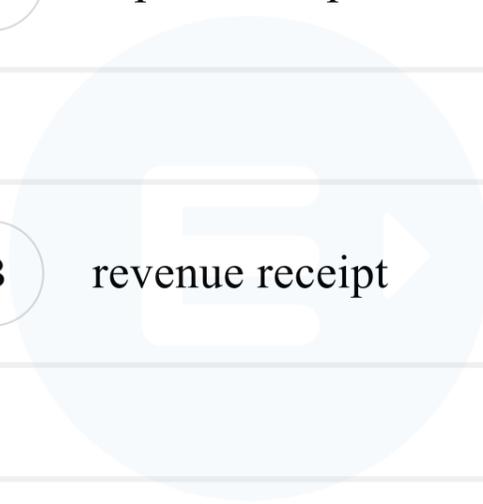
19. Entrance fee of ₹20,000 received by a club is a _____ .

A capital receipts

B revenue receipt

C capital expenditure

D revenue expenditure

 ENTRI

20. ₹3,500 spent on painting new factory is _____ .

A Capital Expenditure

B Revenue expenditure

C Deferred revenue expenditure

D None of these

21. **Extension to building occupied on lease for 5 years _____ .**

A Capital expenditure

B Revenue expenditure

C Deferred revenue expenditure

D None of these

22. Subsidy of ₹40,000 received from the government per working capital

:

A Revenue receipt

B Capital receipt

C Deferred revenue expenditure

D None of these

23. **Planning and control are done by _____ .**

A top management

B lowest level of management

C all levels of management

D none of the above

24. **Decision-making concerns the _____ .**

A Past

B Future

C Past and future both

D None of the above

ENTRI

25. Management Accounting function works like a policeman to ensure the performance of the employees:

A Controlling

B Planning

C Organizing

D None of these

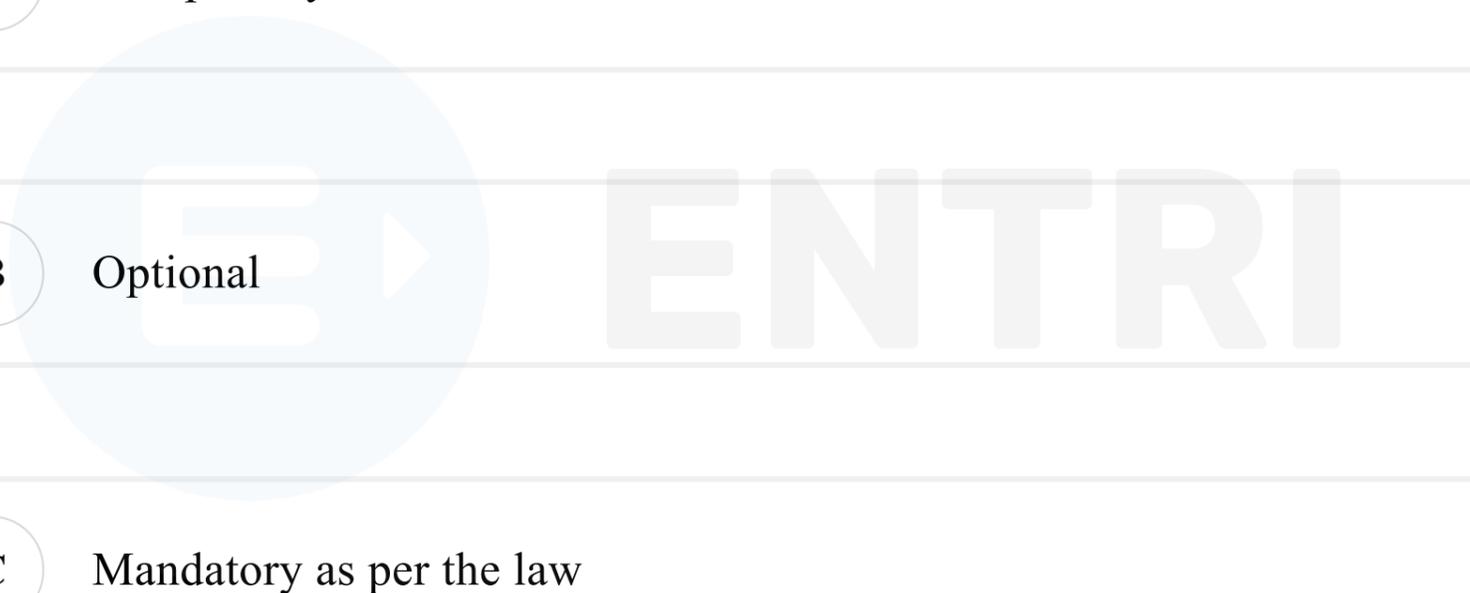
26. The use of management accounting is _____ .

A Compulsory

B Optional

C Mandatory as per the law

D None of the above

 ENTRI

27. **Management Accounting relates to _____ .**

A Collection of data from different sources

B Modification of data to meet the specific needs

C Presentation of data

D All of the above

28. Accounting is divided into _____ .

A 2

B 3

C 4

D None of the above

E ▶ **ENTRI**

29. Management accounting can be viewed as _____ .

A Marketing-oriented Accounting

B Management-oriented Accounting

C Accounting-oriented Management

D Manager-oriented Accounting

30. The purpose of management accounting is to help make decisions :

A Managers

B Investors

C Marketers

D Banks

ENTRI



<https://www.entri.me>



<https://play.google.com/store/apps/details?id=me.entri.entri.me>