

**VAISHALI EDUCATION POINT**  
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**THEORY BASE OF ACCOUNTING**

**Class :- XI**

**Subject :- Accountancy**

<b>QNo.</b>	<b>Questions</b>	<b>Marks</b>
1	“Revenue earned and cost of earning that revenue should be properly identified for a period.” Explain this statement.	3
2	“Capital is a liability for the business.” Explain this statement with the principle applied.	3
3	Explain the following: (i) Dual Aspect Principle (ii) Accrual Concept (iii) Going Concern Concept (iv) Cost Principle	4
4	Explain the meaning of any three of the following terms: (i) Full Disclosure (ii) Consistency (iii) Materiality (iv) Conservatism	4
5	Give two characteristics of accounting principles.	1
6	What is going concern concept?	1
7	What is matching principle?	1
8	What is accrual concept?	1
9	What is concept of consistency?	1
10	What is principal of materiality?	1

11	Which principle states that the financial statements should disclose all significant informations?	1
12	'Closing stock is valued at lower of cost or realisable value'. Which principle of Accounting is applied here?	1
13	A company purchased good for Rs. 5,00,000 and sold 80% of such goods during the year. The market value of remaining goods was Rs. 90,000. The company valued the closing stock at cost. Which principle is being violated?	1
14	X Ltd. gets a contract of Rs. 100 crore to build a Shopping-Mal to be completed in 3 years. The management of the company wants to ascertain profit of loss on this contract only when the contract is completed. Is the management justified?	1
15	On 25th March, 2011, a fire broke out in the premises of Kamal Ltd. and destroyed a part of its plant and machinery. On account of this, a sharp decline in production for the next six months is expectd. The company did not disclose this fact in its annual report for the year ended 31st March, 2011. What is your opinion about this omission?	1
16	Under which principle the calibre or quality of the management is not recorded in the balance sheet?	1
17	A Company has been charging depreciation @ 10% p.a. on original cost method. It now wants to change the method from original cost to diminishing balance method, the rate of depreciation being 15% p.a. can it do so?	1
18	Why the full cost of an asset is not treated as an expense in the year of its purchase?	1
19	Give three advantages of accrual basis of accounting.	3
20	Give any three points of distinction between cash basis and accrual basis of accounting.	3
21	In which basis of accounting Outstanding expenses are not recorded?	1
22	Which basis of accounting is recognized under the Companies Act, 1956.	1
23	What are the two basis of accounting?	1

24	Explain the nature of Accounting Standards.	3
25	State four advantages of Accounting Standards.	3
26	Define Accounting Standards. What are their main objectives?	4
27	From which date the government will implement IFRS in India?	4
28	Give two points regarding nature of accounting standards.	4
29	Give two advantages of accountings standards.	3
30	What are the two basic objectives of having Accounting Standards?	3
31	Give the rules of Debit and Credit and explain them with imaginary examples.	3
32	“Every debit must have a corresponding credit.” Discuss.	3
33	What is Intangible Real Account? Give two examples of such type accounts.	4
34	Give two examples of Representative Personal Accounts.	4
35	What is Double Entry System of Book-keeping?	1
36	What are Personal Accounts?	1
37	What are Nominal Accounts?	1
38	What are Natural Personal Accounts? Give one example.	1
39	What is the rule of recording transactions in Personal Accounts?	1
40	What is the rule of recording transactions in Nominal Accounts?	1