Read the following statement carefully and tick mark the most appropriate answer out of the given 4 alternatives. Do not overwrite or do not do any cutting. You are requested not to consult any source for any help.

( The purpose of this test is investigatory only. It will enable the investigator to conduct research only. Your scores will not be shared with others. )

NAME: __________________________

SCHOOL: __________________________

ACHIEVEMENT TEST IN ACCOUNTANCY
FOR CLASS 11th in Selected Chapters
( Accounting Equation & Basics, Errors & Rectification, Bank Reconciliation Statement & Final Accounts )

1. Wrong credit to a nominal account will affect:
   a) Increase the assets b) Reduce the profit c) Increase the profit d) Increase the liabilities

2. The omission of an item to an income or gain will reduce the:
   a) Assets b) Profit c) Liabilities d) Loss

3. A purchase of Rs-6000 from Sonu has not been recorded in the Purchases Book. It will:
   a) Net effect the profit b) Increase the profit c) Decrease the profit d) None of these

4. The Suspense account balance is recorded in the:
   a) Balance sheet b) Trading account c) Profit and loss account d) None of these

5. Debating wages account for wages paid for the construction of building is:
   a) error of omission b) errors of commission c) errors of principle d) Compensating errors

6. The difference in the trial balance is transferred to:
   a) Capital account b) Difference account c) Suspense account d) Profit & Loss account

7. Suspense account in the trial balance is transferred to:
   a) Trading account b) Balance account c) Trading account d) Manufacturing account

8. Errors detected before the preparation of trial balance will be rectified:
   a) By opening suspense account b) Without opening suspense account c) By transferring to trading account

9. Salaries paid to Mohan amounting to Rs-700 will be debited to:
   a) Salary account b) Mohan’s account c) Cash account d) Capital account

10. Rent paid to landlord amounting to Rs-70 was credited to rent account with Rs-700 in the rectifying entry, rent account will be debited with:
    a) Rs-700 b) Rs-70 c) Rs-770 d) Rs-630

11. A brief case purchased for Rs-399 for the use of partner was debited to trade expenses account with Rs-39. Drawing account should be debited in the rectifying entry with:
    a) Rs-600 b) Rs-39 c) Rs-33 d) Rs-270

12. Ram’s Account which should have been debited with 3,000 has been wrongly credited. It should be debited in the rectifying entry with:
    a) double amount b) Triple amount c) Same amount d) Half amount

13. Ram & Sons, the dealer in furniture, debit furniture account for purchasing furniture on credit. It is an error of:
    a) Omission b) Principle c) Compensation d) Commission

14. Repair to plant will be debited to:
    a) Repair account b) Plant account c) Wages account d) Machinery account

15. Trial accounts of a business are prepared at the:
    a) End of each week b) End of each month c) End of each year d) Beginning of each year

16. Final accounts are prepared after the preparation of:
    a) Trial balance b) Ledger c) Journal d) Subsidiary books

17. Profit & Loss account is also known as:
    a) Final statement b) Income statement c) Position statement d) Profit & Loss appropriation account

18. Balance sheet is also known as:
    a) Final statement b) Income statement c) Position statement d) Statement of affairs

19. Trading account is prepared in order to ascertain:
    a) Gross profit or Gross loss b) Net profit or Net loss c) Salaries d) Cost of goods purchased

20. Profit & Loss account is prepared to find out:
    a) Gross profit or Gross loss b) Net profit or Net loss c) Miscellaneous income d) Financial position

21. Balance sheet is prepared in order to ascertain:
    a) Financial position of business b) Accuracy of books of account c) Profit of the business d) Total debitors

22. Manufacturing account is prepared in order to ascertain:
    a) Cost of goods sold b) Cost of sales c) Cost of sales d) Costs of goods Manufactured

23. Direct expenses of the business are transferred to:
    a) Profit & Loss account b) Balance sheet c) Trading account d) Trial balance

24. Nominal accounts and accounts relating to goods are closed by transfer of:
    a) Capital account b) Profit & Loss appropriation account c) Balance sheet d) Trading & Profit

APPENDIX-I

Thankyou for your cooperation!

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25. Arrangement of assets and liabilities in the balance sheet is known as
   a) Marshalling of balance sheet  b) Marshalling of assets  c) Totalling of assets  d) Order of stating

26. An adjustment is recorded in final accounts
   a) At one place  b) At two places  c) At three places  d) None of these

27. If Opening stock is Rs.30,000, Net purchases Rs.2,00,000, and closing stock Rs.10,000, cost of goods sold will be
   a) Rs.2,20,000  b) Rs.2,40,000  c) Rs.1,60,000  d) None of these

28. Profit and Loss Account shows
   a) Financial position of business  b) Gross Profit for the accounting period  c) Net profit or Net loss for the
   accounting period  d) None of these

29. Sales less cost of goods sold is known as
   a) Gross profit  b) Net profit  c) Cost of goods sold  d) Gross profit

30. Adjustment entries are passed through

31. General Manager is to get commission @10% on net profits after charging commission. If profit before commission is
   Rs.22,000, amount of commission will be
   a) Rs.2,000  b) Rs.2,200  c) Rs.1,800  d) None of these

32. The purpose of financial accounts is to ascertain
   a) The values of assets  b) The values of liabilities  c) Profit or Loss and Financial position
   d) None of these

33. If Opening stock is Rs.30,000, Net purchases Rs.2,00,000, and closing stock Rs.10,000, cost of goods sold will be
   a) Rs.2,20,000  b) Rs.2,40,000  c) Rs.1,60,000  d) None of these

34. Profit and Loss Account shows
   a) Financial position of business  b) Gross Profit for the accounting period  c) Net profit or Net loss for the
   accounting period  d) None of these

35. Sales less cost of goods sold is known as
   a) Gross profit  b) Net profit  c) Cost of goods sold  d) Gross profit

36. Adjustment entries are passed through

37. General Manager is to get commission @10% on net profits after charging commission. If profit before commission is
   Rs.22,000, amount of commission will be
   a) Rs.2,000  b) Rs.2,200  c) Rs.1,800  d) None of these

38. The purpose of financial accounts is to ascertain
   a) The values of assets  b) The values of liabilities  c) Profit or Loss and Financial position
   d) None of these

39. Final statements are prepared
   a) At the end of calendar year  b) At the end of assessment year  c) On every Diwali  d) At the end of
   accounting year

40. Balance sheet is prepared to know
   a) Profit  b) Errors  c) Balance of accounts  d) Financial position

41. Gross profit is ascertained by
   a) Trading account  b) Profit and Loss account  c) Balance sheet  d) Trial balance

42. Suspense account appearing in the Trial balance will be shown in the
   a) Balance sheet  b) Ledger account  c) Trading account  d) Profit and Loss account

43. Working capital is
   a) Proprietors capital  b) Borrowed capital  c) Current assets - current liabilities  d) Capital

44. The statement of assets and liabilities
   a) Balance sheet  b) Trial balance  c) Trading account  d) Profit and Loss account

45. The balance of petty cash is
   a) An asset  b) A liability  c) An expense  d) A revenue

46. Closing stock is valued at
   a) Cost price  b) Market price  c) Sales price  d) Cost price or market price whichever is lower

47. Goods costing Rs.12,000 were damaged. Insurance company admitted claim for Rs.10,500. Profit and loss account will
   be debited with
   a) Rs.12,000  b) Rs.10,500  e) Rs.22,500  d) Rs.1,500

48. Sales less cost of goods sold is known as
   a) Gross profit  b) Net profit  c) Cost of goods sold  d) Gross profit

49. Adjustment entries are passed through

50. General Manager is to get commission @10% on net profits after charging commission. If profit before commission is
   Rs.22,000, amount of commission will be
   a) Rs.2,000  b) Rs.2,200  c) Rs.1,800  d) None of these

51. The purpose of financial accounts is to ascertain
   a) The values of assets  b) The values of liabilities  c) Profit or Loss and Financial position
   d) None of these

52. Final statements are prepared
   a) At the end of calendar year  b) At the end of assessment year  c) On every Diwali  d) At the end of
   accounting year

53. Balance sheet is prepared to know
   a) Profit  b) Errors  c) Balance of accounts  d) Financial position

54. Gross profit is ascertained by
   a) Trading account  b) Profit and Loss account  c) Balance sheet  d) Trial balance

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   a) Balance sheet  b) Ledger account  c) Trading account  d) Profit and Loss account

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   a) Proprietors capital  b) Borrowed capital  c) Current assets - current liabilities  d) Capital

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   a) Balance sheet  b) Trial balance  c) Trading account  d) Profit and Loss account

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60. Goods costing Rs.12,000 were damaged. Insurance company admitted claim for Rs.10,500. Profit and loss account will
   be debited with
   a) Rs.12,000  b) Rs.10,500  e) Rs.22,500  d) Rs.1,500

61. Bank column of the cash book always shows
   a) debit balance,  b) credit balance  c) None of these  d) Sometimes debit / Credit

62. The debit balance of the cash book and the credit balance of pass book should match
   a) Sometimes  b) Often  c) Never  d) Always

63. The balance of pass book is always
53. If deposits exceed the withdrawals from the bank, cash book balance will be
   A) Debit  b) Sometimes Debit  c) Credit  d) Sometimes Credit.

54. Bank reconciliation statement can be prepared with the balance of

55. In bank reconciliation statement, Cheques paid in but not credited by bank are
   A) Not shown  b) Sometimes shown  c) Shown once in year only  d) Shown always.

56. If Assets are arranged in the order of liquidity in Balance Sheet then Cash will be the
   A) 1st item  b) Last item  c) Last item  d) Can be 1st or last item.

57. Closing stock will be shown only
   A) In Balance Sheet  b) In Trading a/c  c) In Trading a/c & P & L a/c  d) In Trading a/c & balance Sheet.

58. Balance sheet is an
   A) A. Account  b) Book  c) Journal  d) Statement

59. Capital is equal to
   A) Assets - Liability  b) Liability - Assets  c) Liability + Assets  d) 2Assets - Liabilities

60. A wrong debit in the pass book will
   a) increase the balance in the cash book  b) increase the balance in the pass book  c) decrease the balance in the pass book
   d) decrease the balance in the cash book.

61. A wrong credit in the cash book will
   a) decrease the balance in the pass book  b) increase the balance of pass book  c) increase the balance in the cash book
   d) decrease the balance of cash book.

62. Interest charged by the bank is recovered on the
   a) credit side of pass book  b) debit side of cash book  c) both of these  d) none of these

63. The cash book is written by
   a) bank  b) creditors  c) debtors  d) Firm

64. The bank reconciliation statement is prepared if the balance as shown by pass book and cash book
   a) do not differ  b) differ with each other  c) indicate unfavourable bank balance i.e., bank overdraft  d) none of these

65. The bank reconciliation statement is prepared by
   a) the bank and the client jointly  b) the bank  c) the client  d) none of these

66. While preparing bank reconciliation statement from balance of cash book Cheques debited in the cash book but not
   credited in the pass book are
   A) Added  b) Not Added  c) Deducted  d) Not deducted.

67. While preparing bank reconciliation statement from balance of cash book Cheques credited in the cash book but not
   debited in the pass book are
   A) Added  b) Not Added  c) Deducted  d) Not deducted.

68. While preparing bank reconciliation statement from balance of cash book Payment by debitor credited in the pass book
   but not debited in the cash book are
   A) Added  b) Not Added  c) Deducted  d) Not deducted.

69. While preparing bank reconciliation statement from balance of pass book Debiting a cheque twice into the bank column
   of the cash book is
   A) Added  b) Not Added  c) Deducted  d) Not deducted.

70. While preparing bank reconciliation statement from balance of pass book Cheque deposited into the bank but not
   entered in the cash book is
   A) Added  b) Not Added  c) Deducted  d) Not deducted.

71. While preparing bank reconciliation statement from balance of pass book Cheque entered in the cash book but omitted
   to be
   A) Added  b) Not Added  c) Deducted  d) Not deducted.

72. Purchase of Building will be recorded as purchase of
   A) Current Asset  b) Goods  c) Fixed Asset  d) Fixed Assets

73. Increase in the value of Liabilities is
   a) Debit  b) Credit  c) Sometimes Debit, sometimes credited  d) None of these

74. Increase in the value of creditors will
   a) Increase owners equity  b) Decrease owners equity  c) Increase outsiders equity  d) None of these

75. Withdrawal of good by the owner will reduce
   a) Liability  b) Assets  c) Assets & Capital  d) Capital

76. Rent paid to landlord will be recorded in
   a) Landlord's a/c  b) Building a/c  c) Rent a/c  d) Rent payable a/c

77. Expenses paid in advance represent's firms
   a) Liability  b) Assets  c) Capital  d) None of these

78. Expenses outstanding at the end represents firm's
   a) Liability  b) Assets  c) Capital  d) None of these

79. Income received in advance by the business represents firm's
   a) Liability  b) Assets  c) Capital  d) None of these

80. Income earned but not yet received by the business represents
81. Goods sold to Hari for Rs 800 will be debited to
   a) Hari's a/c  
   b) Cash a/c  
   c) Sales a/c  
   d) Goods a/c

82. Goods purchased from Krishna for Rs 500 will be credited to
   a) Purchases a/c  
   b) Cash a/c  
   c) Krishna's a/c  
   d) Goods a/c

83. Sale of Goods to Hari for cash Rs 800 will be debited to
   a) Hari's a/c  
   b) Cash a/c  
   c) Sales a/c  
   d) Goods a/c

84. Loss of goods by fire will be credited to
   a) Goods a/c  
   b) Loss by fire a/c  
   c) Capital a/c  
   d) None of these

85. Sale of furniture by ABC Dairy Products is a sale of
   a) Goods  
   b) Assets  
   c) Goods & Assets  
   d) None of these

86. Purchase of Steel by Ram Steel Factory is purchase of
   a) Goods  
   b) Assets  
   c) Goods & Assets  
   d) None of these

87. Goods returned by customer will be debited to
   a) Purchases return a/c  
   b) Customer's a/c  
   c) Sales Return a/c  
   d) Goods a/c

88. Every business transaction affects two or more than two a/c's but with the
   a) Different amounts  
   b) Same amounts  
   c) Sometimes Same amount  
   d) None of these

89. The accounts which are closed every year are
   a) Real a/c's  
   b) Personal a/c's  
   c) Nominal a/c's  
   d) Real & personal a/c's

90. Balance sheet does not record the balances of
   a) Real a/c's  
   b) Personal a/c's  
   c) Nominal a/c's  
   d) Real & personal a/c's

91. Personal a/c's will have following balance
   a) Debit balance  
   b) Credit balance  
   c) Debit & Credit balance  
   d) Debit or Credit balance

92. Purchase of Machinery on credit will be recorded in
   a) Real & Nominal a/c  
   b) Nominal a/c & Personal a/c  
   c) Real & Personal a/c  
   d) Real & Real a/c

93. Journal records
   a) cash transactions  
   b) credit transactions  
   c) Cash & Credit transactions  
   d) None of these

94. Trial balance is prepared with the balances of
   a) Real a/c's  
   b) personal a/c's  
   c) Nominal a/c's  
   d) All of these

95. Gross Income will Increase if
   a) Opening stock decreases  
   b) closing stock increases  
   c) Purchases decreases  
   d) All of these

96. Carriage inwards is a
   a) Direct expenses  
   b) Prepaid expense  
   c) Indirect expense  
   d) Outstanding expense

97. Liquid assets = Current Assets minus
   a) prepaid expenses  
   b) Outstanding expenses  
   c) Stock  
   d) Stock plus Prepaid expenses.

98. Book keeping does not involve
   a) Recording  
   b) Classifying  
   c) Identifying  
   d) Interpreting

99. Accounting equation shows equality between
   a) Liabilities & Capital  
   b) Capital & Assets  
   c) Assets & Liabilities  
   d) Assets & Liabilities + Capital

100. Decrease in Capital with corresponding decrease in Asset will take place when
    a) Payment is made to creditor  
    b) Goods are purchased  
    c) Income tax is paid  
    d) None of these

101. Decrease in Capital & Increase in Liability will take place when
    a) Loan is taken  
    b) Capital is withdrawn  
    c) Capital is converted to loan  
    d) None of these

102. Increase & decrease in Liabilities will take place when
    a) Creditors are returned goods  
    b) Creditors draw Bill of exchange  
    c) Loan is returned  
    d) None of these

103. Increase & Decrease in capital will take place when there is
    a) Interest on Drawings  
    b) Interest on capital  
    c) Transfer of shares of a company from one shareholder to another  
    d) All of these

104. Payment of Salary to Anil, the manager will:
    a) Decrease Assets & capital  
    b) Decrease Assets & liabilities  
    c) Decrease capital & Increase Assets  
    d) None of these

105. Mohan spent Rs 4000 on installation of a machine. The transaction will
    a) Decrease Assets & Capital  
    b) Decrease & Increase Assets  
    c) Decrease & Increase Capital  
    d) Decrease & Increase Liability

106. Un expired rent a/c, Unearned rent a/c, Accrued Rent a/c are examples of
    a) Nominal a/c's  
    b) Real a/c's  
    c) Personal a/c's  
    d) None of these.

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SPECIAL FINDINGS:
NOT ATTEMPTED BY CANDIDATE:

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WRONGLY ATTEMPTED BY CANDIDATE:

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Investigator: VIKRAM GULATI