



# ACCOUNTS

## NCERT - NCERT ACCOUNTS(HINGLISH)

### INTRODUCTION TO ACCOUNTING

**Short Answer**

1. Define accounting.



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# Checklist

## 1. Test your understanding-I

(a) Economic Transactions

(b) Management/Employees

(c ) Creditor

(d) Time gap

(e ) External

(f) Free from basis

(g) Identifying the transactions and communicating information

(h) Monetary

(i) Chronological



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## Others

1. Which of the following is not a business transaction?

1) Bought furniture of 100000 for business

2) Paid for salaries of employess 5000

3) Paid sons fees from her personal bank

accounts 20000

4) Paid sons fees from the business 2000

A. Bought furniture of 100000 for business

B. Paid for saleries of employess 5000

C. Paid sons fees from her personal bank

accounts 20000

D. Paid sons fees from the business 2000

**Answer: Paid sons fees from her personal bank  
accounts 20000**



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2. Deepti wants to buy a building for her business today. Which of the following is the relevant data for his decision?

A. Similar business acquired the required buildings in 2000 for 100000

B. Buildings cost details 2003

C. Buildings cost details 1998

D. Similar buildings cost in August 2005  
rupee2500000

**Answer: Similar business acquired the required buildings in 2000 for 100000**



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**3. Which is the last step of accounting as a process information?**

- 1) Recording of data in the books of accounts
- 2) Preparation of Financial Statement
- 3) Communication of information
- 4) Analysis and interpretation of information

A. Recording of data in the books of  
accounts

B. Preparation of Financial Statement

C. Communication of information

D. Analysis and interpretation of  
information

**Answer: Communication of information**



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4. Which qualitative characteristics of accounting information is reflected when accounting information is clearly presented

1) Understandability

2) Relevance

3) Comparability

4) Reliability

A. Understandability

B. Relevance

C. Comparability



## D. Releability

**Answer: Understandility**



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**5. Use of common unit of measurement and common format of reporting promotes:-**

- 1) Comparability
- 2) Understandability
- 3) Relevance
- 4) Reliability

A. Comparability

B. Understandability

C. Relevance

D. Reliability

**Answer: Comparability**



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6. Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for

furniture 200000 for buying stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold some stationery for 150000 for cash and some other stationery for 100000 on credit basis to Mr. Ravi subsequently, he bought stationery items of 150000 from Mr. Peace. In the first week of next month there was a fire accident and he lost 30000 worth of stationery. A part of machinery which cost 40000 was sold for 45000

From the above, answer the following

What is the amount of capital with which Mr. Sunrise started business.



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7. Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture, 200000 for buying stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold some

stationery for 150000 for cash and some other stationery for 100000 on credit basis to Mr. Ravi subsequently, he bought stationery items of 150000 from Mr. Peace. In the first week of next month there was a fire accident and he lost 30000 worth of stationery. A part of machinery which cost 40000 was sold for 45000

From the above, answer the following

What are the fixed assets he bought



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8. Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture,200000 for buying stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold some stationery for 150000 for cash and some other stationery for 100000 on credit basis to Mr. Ravi subsequently, he bought stationery items of 150000 from Mr. Peace. In the first weak of next month there was a fire accident and he lost 30000 worth of stationery. A part of

machinery which cost 40000 was sold for 45000

From the above, answer the following

What is the value of the goods purchased



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9. Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture, 200000 for buying stationery items. He employed a sales person and clerk. At the

end of month he paid 5000 as their salaries. Out the stationery bought he sold some stationery for 150000 for cash and some other stationery for 100000 on credit basis to Mr. Ravi subsequently, he bought stationery items of 150000 from Mr. Peace. In the first week of next month there was a fire accident and he lost 30000 worth of stationery. A part of machinery which cost 40000 was sold for 45000

From the above, answer the following

Who is the creditor and state the amount payable to him





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**10.** Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture 200000 for buying and stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold some stationery for 150000 for cash and some other stationery for 100000 on credit basis to Mr. Ravi subsequently, he bought stationery

items of 150000 from Mr. Peace. In the first week of next month there was a fire accident and he lost 30000 worth of stationery. A part of machinery which cost 40000 was sold for 45000

From the above, answer the following

What are the expenses



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**11.** Mr sunrise started business for buying and selling of stationery with 500000 as an initial

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From the above, answer the following

What is the gain he earned?



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**12.** Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture 200000 for buying and stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold

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From the above, answer the following

What is the loss he incurred?



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**13.** Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture 200000 for buying and stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold some stationery for 150000 for cash and some other stationery for 100000 on credit basis to Mr. Ravi subsequently, he bought stationery items of 150000 from Mr. Peace. In the first week of next month there was a fire accident and he lost 30000 worth of stationery. A part

of machinery which cost 40000 was sold for 45000

From the above, answer the following

Who is the debtor? What is the amount receivable from him



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**14.** Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture 200000 for buying and stationery

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From the above, answer the following



What is the total amount of expenses and losses incurred



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**15.** Mr sunrise started business for buying and selling of stationery with 500000 as an initial investment. Of which he paid 100000 for furniture 200000 for buying and stationery items. He employed a sales person and clerk. At the end of month he paid 5000 as their salaries. Out the stationery bought he sold

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From the above, answer the following

Determine if the following are assets, liabilities, revenues, expenses or none of the these, sales, debtor, creditor, salary to

manager, discount to debtors, drawing by the owner.



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**16.** State the end product of financial accounting.



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**17.** Enumerate main objectives of accounting.



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## 18. INTERESTED USERS OF INFORMATION



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19. State the nature of accounting information required by long term lenders



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20. Who are the external users of information?



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**21.** Enumerate information needs of management



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**22.** Give any three examples of revenues.



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**23.** Distinguish between debtors and creditors, profit and gain



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**24.** "Accounting information should be comparable." Do you agree with this statement? Give two reasons.



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**25.** If the accounting information is not clearly presented. Which of the qualitative characteristic of the accounting information is violated



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**26.** "The role of accounting has changed over the period of time". Do you agree?



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27. Giving examples, explain each of the following accounts terms:

\* Fixed assets \* Gain • Profit



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28. Define revenues and expenses?



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**29.** What is the primary reason for the business students and other to familiarize themselves with the accounting discipline?



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**30.** What is accounting? Define its objectives



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**31.** Explains the factors which necessitated systematic accounting



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**32.** Describe the informational needs of external users.



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**33.** What do you mean by an asset and what are different types of assets?



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**34.** Explains the meaning of gain and profit.  
Distinguished between these two terms.



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**35. QUALITATIVE CHARACTERISTIC OF ACCOUNTING INFORMATION**



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**36. Describe the role of accounting in the modern world.**



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### **37. Test your understanding-II**

1. Reliability, i.e. Verifiability, Faithfulness, Neutrality
2. Relevance, i.e. Timeless
3. Understanding and Comparability



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### **38. Test your understanding-III**

- (a) Government and other regulators
- (b) Management

(c ) Social responsibility groups

(d) Lenders

(e ) Suppliers and Creditor

(f) Customers



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**39. Test your understanding-IV**

1.(c ) 2.(a) 3.(c ) 4.(a) 5.(a)



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#### 40. Test your understanding-V

1. 5,00,000 2. 1,00,000 3. 2,00,000 4. Mr. Reace,  
1,50,000 5. 5000 6. 5000
7. 30000 8. Mr Ravi 1,00,000 9. 35000
10. Assets, debtors, Liabilities: Creditor,  
drawing, Revenues, Sales expenses, discount,  
salary.



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