



Exam Seat No. ____

B. P. COLLEGE OF BUSINESS ADMINISTRATION

(Constituent College of Kadi Sarva Vishwavidyalaya)

BBA SEM – I

MCQ TEST September 2013

SUB: Principles of Accounting (BBA05)

Date: 10/09/13

Day: Tuesday

Total Marks: 60

Duration: 40 minutes

Instructions:

- All questions are compulsory.
- All questions carry 2 marks each.

- 1) Accounting is defined as ?
 - A. An art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are in part at least, of a financial character and interpreting the results thereof.
 - B. A systematic and regular record of events clear financial picture
 - C. A method of ascertaining profits & loss
 - D. Noting but book keeping
- 2) Accounting in modern age is regarded as?
 - A. The art of recording, classifying and summarizing the business transactions in monetary units
 - B. The language of business
 - C. The source of business information
 - D. All of above
- 3) Accounting is the process of matching
 - A. Benefits and Costs
 - B. Revenues and Costs
 - C. Cash inflows and outflows
 - D. Potential and real performance
- 4) Choose the correct statement
 - A. Keeping systematic recording of business transaction is not the function of financial accounting
 - B. Accounting is concerned with monetary transactions
 - C. Accounting is concerned with past as well as future events
 - D. Business and Businessman are one and the same from accounting point of view
- 5) Choose the incorrect statement
 - A. Accounting is the language of business
 - B. Transaction are recorded in quantitative terms only
 - C. Accounting is the art of recording, classifying and summarizing
 - D. Transaction and events of financial character are subject matter of accounting
6. Purchases books is kept to record
 - A. All purchase of goods.
 - B. All credit purchase.
 - C. All credit purchase of business goods only.
 - D. None
7. Sales book is an example of
 - A. General Journal
 - B. Special Journal
 - C. Both
 - D. None
8. The business has a personally separate from that of its owners is called _____
 - A. Money measurement concept
 - B. Entity concept
 - C. Going concern
 - D. None
9. Continuing activity are not liquidation, is the normal business process know as ____

- A. Money measurement concept B. Entity concept C. Going concern D. None
10. The revenue & relevant expenses incurred should be correlated & match is called _____
 A. Money measurement concept B. Matching concept C. going concern D. none
11. $A = C + \underline{\hspace{2cm}}$
 A. Z B. K C. L D. J
12. According to double entry system one party _____ receive benefit and other party _____ the benefit.
 A. Debit, Credit B. Credit, Debit C. Debit, Debit D. Credit, Credit
13. Drawing account is _____ type of account
 A. Real a/c B. Personal a/c C. Nominal a/c D. None
14. Bad debt is _____ types of account
 A. Real a/c B. Personal a/c C. Nominal a/c D. None
15. Loss by fire is _____ types of account
 A. Real a/c B. Personal a/c C. Nominal a/c D. None
16. _____ is a book of original entry in double entry book accounting
 A. Journal B. Cash book C. Purchase book D. None
17. Goodwill is _____ asset.
 A. Tangible B. Intangible C. Current D. None
18. Accounting information is used only by external users with a financial interest in a business enterprise.
 A.) True B.) False
19. The ledger is merely a bookkeeping device and therefore does not provide much useful data for management.
 A.) True B.) False
20. The basic accounting equation is in balance when the creditor and ownership claims against the business equal the assets.
 A.) True B.) False
21. The book value of a depreciable asset is always equal to its market value because depreciation is a valuation technique.
 A.) True B.) False
22. Generally accepted accounting principles are uniform throughout the world.
 A.) True B.) False
23. Current assets are listed in the order of liquidity.
 A.) True B.) False
24. Intangible assets has physical existence
 A. True B. False
25. The ledger account gives the folio of journal
 A. True B. False
26. Sales journal is used for recording cash sales
 A. True B. False
27. The purchase of machinery for business is recorded in purchase book
 A. True B. False
28. The ledger is the book of original entry
 A. True B. False
29. Cash book is example of general journal
 A. True B. False
30. cash sale of old furniture is post in sales book
 A. True B. False