



St. Lawrence High School



A Jesuit Christian Minority Institution

Worksheet 13

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 2: Theory Base of Accounting

Date: 08/07/2020

Topic: Fundamental Accounting Assumptions

Choose the correct alternatives

1 x 15 = 15

- (1). Fundamental accounting assumptions develop
 - (a) accounting principles; (b) generally accepted accounting principles; (c) both (a) & (b); (d) none of these
- (2). As per going concern concept the length of life of a business unit is
 - (a) very less; (b) medium; (c) as long as possible; (d) all of these
- (3). As per going concern concept a business unit will continue operating under the
 - (a) same economic conditions; (b) different economic conditions; (c) better economic conditions
 - (d) worst economic conditions
- (4) Going concern concept is based on
 - (a) present; (b) past; (c) future; (d) all of these
- (5) _____ are rules of the game and they have been developed from common accounting practice
 - (a) principles; (b) assumptions; (c) both (a) & (b); (d) none of these
- (6) An accountant should follow a particular method in such way that figures of one accounting period may be comparable with another accounting period- is based on which assumption?
 - (a) going concern; (b) consistency; (c) accrual; (d) all of these
- (7) As per the assumption of consistency accounting methods
 - (a) can be changed; (b) cannot be changed; (c) can be changed with proper note; (d) all of these
- (8) Under which assumption it is recognize that revenues can be recorded when they are earned
 - (a) going concern; (b) consistency; (c) accrual; (d) all of these
- (9) Under which assumption it is recognize that expenses can be recorded when they are incurred
 - (a) going concern; (b) consistency; (c) accrual; (d) all of these
- (10) Profit & Loss Account must be prepared under
 - (a) cash concept; (b) accrual concept; (c) mixed concept; (d) all of these
- (11) At the time of preparation of financial statement which assumption is required to use
 - (a) going concern; (b) consistency; (c) accrual; (d) all of these
- (12) As per accrual concept revenues are recorded in the books when it is
 - (a) received; (b) earned; (c) both (a) & (b); (d) none of these
- (13)) As per accrual concept expenses are recorded in the books when it is
 - (a) paid; (b) incurred; (c) both (a) & (b); (d) none of these

- (14) salary paid for the year 2019-20 is Rs. 30,000 includes salary for 2018-19 for Rs. 5,000 and not paid for 2019-20 is Rs. 10,000. Salary under accrual concept is amounted to
(a) Rs. 45,000; (b) Rs. 30,000; (c) Rs.35,000; (d) Rs.25,000
- (15) Rent received for the year 2019-20 is Rs.50,000 which includes rent for year 2020-21 for Rs. 10,000. Rent received under accrual concept is amounted to
(a) Rs. 40,000; (b) Rs. 50,000; (c) Rs. 60,000; (d) none of these

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