



St. Lawrence High School



A Jesuit Christian Minority Institution

Worksheet 21

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 3: Recording of Transactions

Date: 15/08/2020

Topic: Accounting Equation 3

Choose the correct alternatives

1 x 15 = 15

1. Commenced business with cash Rs. 50,000 means
 - (a) cash will increase by Rs. 50,000;
 - (b) capital will increase by Rs. 50,000;
 - (c) both cash & capital will increase by Rs. 50,000;
 - (d) none of these
2. Purchased goods for cash Rs. 20,000 and credit Rs.30,000 means
 - (a) stock will increase by Rs. 50,000;
 - (b) cash will decrease by Rs. 20,000
 - (c) creditor will increase by Rs. 30,000;
 - (d) all of these
3. Sold goods for cash Rs. 40,000, costing Rs.30,000 means
 - (a) cash will increase by 30,000;
 - (b) stock will reduce by Rs. 40,000;
 - (c) capital will reduce by Rs.10,000;
 - (d) none of these
4. Rent paid Rs. 500 means
 - (a) cash will increase by Rs. 500;
 - (b) cash will reduce by Rs.500;
 - (c) capital will reduce by Rs. 500;
 - (d) both (b) & (c)
5. Salaries paid for Rs. 5,000 means
 - (a) cash will reduce by Rs. 5000;
 - (b) capital will reduce by Rs. 5,000;
 - (c) capital will increase by Rs. 5,000;
 - (d) both (a) & (b)
6. Rent outstanding for Rs. 100 means
 - (a) outstanding liability will increase by Rs. 100;
 - (b) capital will reduce by Rs.100;
 - (c) both (a) & (b);
 - (d) none of these
7. Salaries outstanding for Rs.1000 means
 - (a) outstanding liability will reduce by Rs. 1,000;
 - (b) capital will increase by Rs.1,000
 - (c) both (a) & (b);
 - (d) none of these
8. Bought furniture for Rs. 5,000 on credit means
 - (a) furniture will increase by Rs. 5,000;
 - (b) creditor will increase by Rs. 5,000
 - (c) cash will decrease by Rs. 5,000;
 - (d) both (a) & (b)
9. Bought refrigerator for personal use Rs. 5000 means
 - (a) cash will reduce by Rs.5,000;
 - (b) assets will increase by Rs. 5,000;
 - (c) capital will increase by Rs. 5,000;
 - (d) none of these
10. Purchased computer for cash Rs. 20,000 means
 - (a) computer will increase by Rs. 20,000;
 - (b) cash will reduce by Rs.20,000
 - (c) both (a) & (b);
 - (d) none of these

11. Cash withdrawn for personal use Rs. 10,000 means
(a) cash will reduce by Rs. 10,000; (b) capital will reduce by Rs. 10,000;
(c) both (a) & (b); (d) none of these
12. Wages paid in advance for Rs. 2,000 means
(a) assets will increase by Rs. 2,000; (b) capital will reduce by Rs. 2,000;
(c) liability will increase by Rs. 2,000; (d) all of these,
13. Debtors of Rs. 4,000 paid Rs. 3,800 in full settlement of dues means
(a) debtors will reduce by Rs. 3,800; (b) debtors will reduce by Rs.4,000;
(c) debtors will increase by Rs. 3,800; (d) debtors will increase by Rs. 4,000
14. Paid for advertisement for Rs. 2,500 means
(a) cash will reduce by Rs. 2,500; (b) capital will reduce by Rs. 2,500;
(c) cash will increase by Rs. 2,500; (d) both (a) & (b)
15. Interest on capital is charged for Rs. 4,000 means
(a) capital will increase by Rs. 4,000; (b) capital will reduce by Rs. 4,000;
(c) both (a) & (b); (d) none of these

Prepared by
Pralay Kabi