



# St. Lawrence High School



A Jesuit Christian Minority Institution

## Answer Key 15

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 2: Theory Base of Accounting

Date: 10/07/2020

Topic: Accounting Principles 2

### Choose the correct alternatives

1 x 15 = 15

1. Accounting Period Concept arises from  
(a) entity concept; **(b) going concern concept;** (c) money measurement concept; (d) all of these
2. As per accounting period concept profit & loss account and balance sheet should be prepared  
(a) on irregular basis; **(b) at regular intervals;** (c) after few years; (d) after 12 years
3. Accounting Period Concept is important for  
(a) uniformity in accounting treatment; (b) consistency in accounting treatment;  
**(c) both (a) & (b);** (d) none of these
4. Accounting Period Concept is important for  
(a) uniformity in accounting treatment; (b) consistency in accounting treatment;  
(c) matching of revenues and expenses; **(d) all of these**
5. Comparability of financial statements is possible according to which concept?  
**(a) accounting period concept;** (b) entity concept; (c) money measurement concept; (d) all of these
6. Full disclosure of financial statement means  
**(a) adequate disclosure;** (b) inadequate disclosure; (c) partly disclosure; (d) none of these
7. Full disclosure is required when  
**(a) alternative policies are available;** (b) only one policy is available;  
(c) no policy is available; (d) all of these
8. Full disclosure principle increases  
(a) relevance of financial statements; (b) reliability of financial statements;  
**(c) both (a) & (b);** (d) none of these
9. Which one is against the principle of full disclosure?  
**(a) all significant facts or information should be omitted.**  
(b) all significant facts or information should not be omitted.  
(c) all relevant information must be disclosed;  
(d) apply when alternative accounting policies are available.
10. As per \_\_\_\_\_ principle there should be complete and understandable reporting of Financial Statements  
(a) accounting period; **(b) full disclosure;** (c) entity; (d) money measurement
11. As per \_\_\_\_\_ principle "recognize all losses and anticipate no gain"  
(a) accounting period; (b) full disclosure; (c) entity; **(d) prudence**

12. As per prudence principle we need to consider  
**(a) lowest likely value of assets and profits;** (b) highest likely value of assets and profits;  
(c) no value of assets and profits; (d) all of these
13. As per prudence principle we need to consider  
(a) lowest likely amount of any losses or liabilities incurred;  
**(b) highest likely amount of any losses or liabilities incurred;**  
(c) no amount of any losses or liabilities incurred;  
(d) all of these
14. Whether an item is material or not depends on  
**(a) personal judgement and common sense;** (b) judgement of all accountant;  
(c) both (a) & (b); (d) none of these
15. The materiality concept\_\_\_\_\_ other concepts to be ignored if the effects are not considered material  
(a) permits (b) considers; (c) believes **(d) all of these**

Prepared by  
Pralay Kabi