



St. Lawrence High School



A Jesuit Christian Minority Institution

Worksheet 4

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 1: Introduction to Accounting

Date: 18/06/2020

Topic: Cash Basis

Choose the correct alternatives:

1x 15 = 15

1. Which of the following is advantage of cash basis ?
 - (a) transactions are recorded before all phases of transactions are complete
 - (b) transactions are recorded when all phases of transactions are complete
 - (c) both (a) & (b)
 - (d) none of these
2. Under cash basis transactions are
 - (a) simple; (b) Complicated; (c) both (a) & (b); (d) none of these
3. Under cash basis reliability of accounting information is
 - (a) decreased; (b) increased; (c) not affected; (d) both (b) & (c)
4. Cash basis of recording reflects actual
 - (a) inflow of cash; (b) outflow of cash; (c) inflow & outflow of cash; (d) none of these
5. Cash Basis of accounting is _____ method of recording transactions
 - (a) appropriate; (b) inappropriate; (c) both (a) & (b); (d) none of these
6. Under cash basis of accounting financial statement
 - (a) can be prepared; (b) cannot be prepared; (c) can be prepared partly; (d) none of these
7. Generally Accepted Accounting Principle (GAAP)_____ cash basis
 - (a) recognize; (b) not recognize; (c) partly recognize; (d) sometime recognize
- 8 cash basis of accounting does not take into account
 - (a) fixed assets; (b) debtors; (c) creditors; (d) all of these
9. cash basis of accounting does not take into account
 - (a) fixed assets; (b) debtors; (c) inventories; (d) all of these
10. cash basis of accounting does not take into account
 - (a) pre payments; (b) inventories; (c) both (a) & (b); (d) none of these
11. fees received for 2019 is Rs. 15,000 (include Rs. 5,000 for 2018) and paid salaries for Rs. 3,000, net income under cash basis is
 - (a) Rs.7,000; (b) Rs.12,000; (c) 15,000; (d) Rs. 2,000
12. fees received in 2019 is Rs. 12,000 and salaries paid in 2019 is Rs. 7,000 (include Rs. 2,000 for 2018). Net income under cash basis is
 - (a) Rs. 7,000; (b) Rs. 10,000; (c) Rs. 5,000; (d) Rs. 12,000
13. salaries paid in 2019 is Rs. 9,000 (include Rs. 3,000 for 2018) & for the year 2019 salaries unpaid is Rs. 1,000. So, salaries under cash basis is amounted to
 - (a) Rs. 6,000; (b) Rs. 5,000; (c) Rs. 13,000; (d) Rs. 9,000

14. Rent paid in 2019 for Rs. 8,000 which include Rs. 2,000 for 2020. So, rent paid for the year 2019 is
(a) Rs. 2,000; (b) Rs. 6,000; (c) Rs. 8,000; (d) none of these
15. fees received in 2019 is Rs. 12,000 which include Rs. 3,000 for 2018 & Rs. 2,000 for 2020. So, amount of fees received for the year 2019 is
(a) Rs. 12,000; (b) Rs. 9,000; (c) Rs. 10,000; (d) Rs. 7,000

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