



# St. Lawrence High School

A Jesuit Christian Minority Institution

## Worksheet 3

Sub: ACCOUNTANCY

Class 11

F.M 15

Chapter: Unit 1: Introduction to Accounting

Date: 17/06/2020

Topic: Qualitative characteristics of Accounting Information & Basis of Accounting

Choose the correct alternatives

1x15 = 15

1. Which one of the following is the qualitative characteristic of Accounting Information?  
(a) relevance; (b) understandability; (c) reliability; (d) all of these
2. Accounting Information should have  
(a) faithful representation; (b) unfaithful representation; (c) both (a) & (b); (d) none of these
3. Accounting Information should have  
(a) incompleteness; (b) completeness ; (c) both (a) & (b); (d) none of these
4. Accounting Information must be prepared in such a manner that it supplies  
(a) irrelevant information; (b) relevant information; (c) both (a) & (b); (d) none of these
5. \_\_\_\_\_ is the quality of accounting information that enables users to perceive its significance  
(a) relevance; (b) understandability; (c) reliability; (d) comparability
6. Financial information which does not have \_\_\_\_\_ to the users is worse than no information at all  
(a) relevance; (b) reliability; (c) both (a) & (b); (d) none of these
7. Disclosure of accounting information must be  
(a) adequate; (b) partial; (c) inappropriate; (d) incorrect
8. Under cash basis of accounting, transactions are recorded when  
(a) transactions take place; (b) events occur; (c) cash is actually received; (d) none of the above
9. Under accrual basis of accounting, transactions are recorded  
(a) when cash is received; (b) when cash is paid; (c) when transactions take place; (d) none of these
10. Under hybrid basis of accounting income is recorded under  
(a) accrual basis; (b) cash basis; (c) both under cash & accrual basis; (d) none of these
11. Under hybrid basis of accounting expense is recorded under  
(a) accrual basis; (b) cash basis; (c) both under cash & accrual basis; (d) none of these
12. If total fees received in 2019 is Rs.15,000 of which Rs.5,000 is related to 2018, income of 2019 under cash basis is  
(a) Rs.10,000; (b) Rs. 15,000; (c) Rs.5,000; (d) Rs.20,000
13. If total fees received in 2019 is Rs. 25,000 of which Rs.5,000 is related to 2018, income of 2019 under accrual basis is  
(a) Rs.10,000; (b) Rs. 15,000; (c) Rs.5,000; (d) Rs.20,000

14. If total fees received in 2019 is Rs. 25,000 under cash basis and expenses payable in 2019 is Rs. 10,000 under accrual basis which basis of accounting is followed?  
(a) cash basis; (b) accrual basis; (c) hybrid basis; (d) none of these
15. If total fees received in 2019 is Rs. 25,000 under cash basis and expenses payable in 2019 is Rs. 10,000 under accrual basis, net income under hybrid basis is  
(a) Rs.10,000; (b) Rs. 15,000; (c) Rs.5,000; (d) Rs.20,000

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