



St. Lawrence High School



A Jesuit Christian Minority Institution

Answer Key 10

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 1: Introduction to Accounting

Date: 25/06/2020

Topic: Basic Accounting Terms 2

Choose the correct alternatives

1 x 15 = 15

1. The amount of money invested in the business by the proprietor is known as
(a) drawings; **(b) capital**; (c) cash; (d) asset
2. The amount of money withdrawn by the proprietor for his personal expenses is known as
(a) drawings; (b) capital; (c) cash; (d) asset
3. Legal obligation expressed in terms of money is known as
(a) asset; **(b) liability**; (c) expense; (d) capital
4. Property or legal right owned by a business unit is known as
(a) asset; (b) liability; (c) expense; (d) capital
5. Additional capital invested in the business is an example of
(a) revenue receipt; **(b) capital receipt**; (c) expense; (d) income
6. Money receipt by sale of goods and services is known as
(a) revenue receipt; (b) capital receipt; (c) expense; (d) income
7. Money spent on buying fixed assets is known as
(a) revenue expenditure; **(b) capital expenditure**; (c) capital; (d) drawings
8. Money spent on running the business on a day-to-day basis is known as
(a) revenue expenditure; (b) capital expenditure; (c) capital; (d) drawings
9. Expenditure whose usefulness extends over more than one accounting period is known as
(a) revenue expenditure; (b) capital expenditure; (c) capital; **(d) deferred revenue expenditure**
10. The liabilities which held in the business for more than one accounting period is known as
(a) current liabilities; **(b) non- current liabilities**; (c) current assets; (d) non- current assets
11. The assets whose usefulness held in the business for more than one accounting year is known as
(a) current liabilities; (b) non- current liabilities; (c) current assets; **(d) non- current assets**
12. Amount due but not paid for a period not more than one year is an example of
(a) current liabilities; (b) non- current liabilities; (c) current assets; (d) non- current assets
13. Land and Building are the examples of
(a) current assets; **(b) non-current assets**; (c) investment; (d) liabilities
14. Cost incurred for increasing the earning capacity of a business is an example of
(a) revenue expenditure; **(b) capital expenditure**; (c) deferred revenue expenditure; (d) none of these

15. Payment of salaries to the employees is an example of
(a) revenue expenditure; (b) capital expenditure; (c) deferred revenue expenditure; (d) none of these

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