



# St. Lawrence High School

A Jesuit Christian Minority Institution

## Worksheet 2

Sub: ACCOUNTANCY

CLASS 11

F.M 15

Chapter : Unit 1 : Introduction to Accounting

Date: 16/06/2020

Topic: Limitations of Accounting; Users of Accounting Information

### Choose the correct alternatives :

1x 15 =15

1. Which of the following is not a limitation of accounting?
  - (a) accounting information is historical in nature;
  - (b) accounting information does not show the impact of inflation;
  - (c) accounting reflects those increases in net assets that are realized;
  - (d) accounting information must possess some qualitative characteristics
2. Which of the following is a limitation of accounting?
  - (a) accounting provides information useful for making economic decisions;
  - (b) accounting provides comparable data for comparison;
  - (c) accounting provides information useful for predicting uncertainty;
  - (d) tends to match current revenues with historical cost
3. Which of the following is a limitation of accounting?
  - (a) accounting provides information useful for making economic decisions;
  - (b) accounting provides comparable data for comparison;
  - (c) accounting provides information useful for predicting uncertainty;
  - (d) accounting principles are not static
4. Which of the following is a limitation of accounting?
  - (a) accounting provides information useful for making economic decisions;
  - (b) accounting provides comparable data for comparison;
  - (c) accounting provides information useful for predicting uncertainty;
  - (d) accounting information is historical in nature
5. Which of the following is a limitation of accounting?
  - (a) accounting provides information useful for making economic decisions;
  - (b) accounting provides comparable data for comparison;
  - (c) accounting provides information useful for predicting uncertainty;
  - (d) accounting information does not show the impact of inflation
6. . Which of the following is a limitation of accounting?
  - (a) accounting provides information useful for making economic decisions;
  - (b) accounting provides comparable data for comparison;
  - (c) accounting provides information useful for predicting uncertainty;
  - (d) accounting reflects those increases in net assets that are realized

7. Which of the following is an internal user of accounting information?  
(a) partners; (b) government agency; (c) suppliers; (d) customers
8. Which of the following is an internal user of accounting information?  
(a) customer; (b) government agency; (c) managers;(d) suppliers
9. Which of the following is an internal user of accounting information?  
(a) customer; (b) board of directors;(c) suppliers;(d) government agency
10. Which of the following is an internal user of accounting information?  
(a) customer; (b) government agency; (c) suppliers; (d) officers
11. Which of the following is an external user of accounting information?  
(a) partners; (b) investors; (c) managers;(d) officers
12. Which of the following is an external user of accounting information?  
(a) partners; (b) officers; (c) managers; (d) suppliers
13. Which of the following is an external user of accounting information?  
(a) partners; (b) managers; (c) employees; (d) officers
14. Which of the following is an external user of accounting information?  
(a) labour union; (b) partners; (c) managers; (d) officers
15. Which of the following is an external user of accounting information?  
(a) partners; (b) officers; (c) managers; (d) lenders

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