



St. Lawrence High School



A Jesuit Christian Minority Institution

Worksheet 5

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 1: Introduction to Accounting

Date: 19/06/2020

Topic: Accrual Basis

Choose the correct alternatives

1 x 15 = 15

1. Accrual Basis of accounting
(a) not used by business; (b) widely used by business; (c) less used by business; (d) none of these
2. Under accrual basis of accounting financial statements
(a) can be prepared; (b) cannot be prepared; (c) both (a) & (b) ; (d) none of these
3. GAAP _____ accrual basis of accounting
(a) recognize; (b) not recognize; (c) partly recognize; (d) none of these
4. Expenses against incomes _____ under accrual basis of accounting
(a) not properly matched; (b) properly matched; (c) partly matched; (d) none of these
5. For comparison of accounting statements the following basis of accounting is suitable
(a) cash basis; (b) accrual basis; (c) both (a) & (b); (d) none of these
6. Which of the following basis of accounting is not simple?
(a) accrual basis; (b) cash basis; (c) both (a) & (b); (d) none of these
7. Actual cash inflow & outflow does not reflect in which basis of accounting?
(a) cash basis; (b) accrual basis; (c) both (a) & (b); (d) none of these
8. Accrual basis of accounting is suitable for
(a) non going concern; (b) going concern; (c) venture business; (d) none of these
9. Under accrual basis of accounting _____ accounting principles are followed
(a) two; (b) three; (c) variety of; (d) no
10. If realization of income is doubtful which basis of accounting is suitable?
(a) cash basis; (b) accrual basis; (c) hybrid basis; (d) all of these
11. If fees received for the year 2019 is Rs. 20,000 and outstanding fees for the same year is Rs. 5,000 & fees for 2019 is received in 2018 is Rs. 3,000, amount of fees receivable under accrual basis is
(a) Rs. 25,000; (b) Rs. 23,000; (c) Rs. 18,000; (d) Rs. 28,000
12. If salaries paid for the year 2019 is Rs. 10,000 and outstanding salaries for the same year is Rs. 5,000 & salaries for 2019 paid in 2018 is Rs. 3,000, amount of salaries payable under accrual basis is
(a) Rs. 10,000; (b) Rs. 15,000; (c) Rs. 18,000; (d) Rs. 13,000
13. Rent paid for the year 2019 is Rs. 18,000 which includes rent for the year 2018 for Rs. 3,000 and also includes rent paid for the year 2020 is Rs. 2,000. What is the rent payable for 2019 under accrual basis?
(a) Rs. 13,000; (b) Rs. 15,000; (c) Rs. 16,000; (d) Rs. 18,000

14. Net income means

(a) income – expense; (b) income + expense; (c) income = expense; (d) none of these

15. If fees received for the year 2019 is Rs. 12,000 (includes fees for 2018 Rs. 2,000) and salaries paid for the year 2019 is Rs. 5,000 & outstanding salaries for the same year is Rs. 3,000, net income under accrual basis is

(a) Rs. 3,000; (b) Rs. 2,000; (c) Rs. 4,000; (d) Rs. 1,000

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