



# St. Lawrence High School



A Jesuit Christian Minority Institution

## Answer Key 7

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 1: Introduction to Accounting

Date: 22/06/2020

Topic: Financial Accounting & Cost Accounting

### Choose the correct alternatives

1 x 15 = 15

1. \_\_\_\_\_ accounting is mainly concerned with historical aspects of external reporting to shareholders, Government & other users  
(a) cost ; **(b) financial** ; (c) both of these; (d) none of these
2. The end product of financial accounting is  
(a) profit & loss account; (b) balance sheet; **(c) both (a) & (b)**; (d) none of these
3. financial accounting record & process financial data relates to  
**(a) past & generally for one year**; (b) future; (c) both (a) & (b); (d) none of these
4. Preparation of the financial accounting is based on  
(a) GAAP; (b) legal regulations; (c) accounting standards; **(d) all of these**
5. The accounting system by which cost to produce goods and services is ascertained is known as  
(a) financial accounting; **(b) cost accounting**; (c) both (a) & (b); (d) none of these
6. Pricing of product may be based on  
(a) financial accounting; **(b) cost accounting**; (c) both (a) & (b); (d) none of these
7. Cost information can be used to prepare  
(a) profit & loss account; (b) balance sheet; **(c) budget**; (d) none of these
8. Accounting standards are used in  
**(a) financial accounting**; (b) cost accounting; (c) both (a) & (b); (d) none of these
9. The valuation of stock become simplified by  
(a) financial accounting; **(b) cost accounting**; (c) both (a) & (b); (d) none of these
10. Decisions whether to use labour or machines for production can be made significantly by  
(a) financial accounting; **(b) cost accounting**; (c) both (a) & (b); (d) none of these
11. Decisions whether to make or buy components can be made significantly by  
(a) financial accounting; **(b) cost accounting**; (c) both (a) & (b); (d) none of these
12. Decisions concerning the mix and quantity of products are possible under  
**(a) cost accounting**; (b) financial accounting; (c) both (a) & (b); (d) none of these
13. Performance of the business can be monitored under  
(a) cost accounting; (b) financial accounting; **(c) both (a) & (b)**; (d) none of these
14. Users of cost accounting information are  
**(a) internal**; (b) external; (c) both internal & external; (d) none of these

15. Decision regarding expansion, contraction or cessation of an activity can be made properly under  
(a) financial accounting; **(b) cost accounting;** (c) both (a) & (b); (d) none of these

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