



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian Minority Institution

Answer Key 2

Class: XII

Sub: Accountancy

Chapter: Unit I: Introduction to Partnership

F.M.: 15

Topic: Profit & Loss Appropriation Account

Date: 4/05/2020

- Profit & Loss Appropriation Account is prepared by
(a) sole proprietorship business; **(b) partnership business**; (c) joint stock company; (d) HUF.
- Term 'appropriation' means
(a) charge against profit; **(a) distribution or allocation of profit**; (c) both (a) and (b); (d) none of these.
- Preparation of Profit & Loss Account is _____ to a business unit.
(a) compulsory; (b) optional; (c) often compulsory; (d) all of these.
- Salary Account is debited to
(a) Trading A/c; **(b) Profit & Loss A/c**; (c) Profit & Loss Appropriation A/c; (d) none of these.
- Profit & Loss Account is prepared
(a) after Profit & Loss Appropriation Account; **(b) after Trading Account**; (c) after Balance Sheet; (d) none of these.
- Net profit is determined in
(a) Trading A/c; (b) Profit & Loss Appropriation A/c; **(c) Profit & Loss A/c**; (d) Balance Sheet.
- The transactions that are recorded in the Profit & Loss Appropriation A/c is
(a) transactions between the partners and the firm; (b) transactions between the debtors and the firm; (c) transactions between the creditors and the firm; (d) all transactions.
- One similarity between Profit & Loss A/c and Profit & Loss A/c is
(a) both are revenue accounts; (b) both are capital account; (c) both are prepared before trading account; (d) none of these.
- Profit & Loss Appropriation A/c is prepared on the basis of
(a) volume of transactions; (b) cash basis; **(b) partnership deed**; (d) none of these.
- Matching principle is not followed in
(a) Trading A/c; (b) Profit & Loss A/c; **(c) Profit & Loss Appropriation A/c**; (d) none of these.
- Both Profit & Loss A/c and Profit & Loss Appropriation Accounts are
(a) real account; **(b) nominal account**; (c) personal account; (d) none of these.
- Profit & Loss Appropriation Account begins with
(a) gross profit; (b) distributable profit; **(c) net profit**; (d) none of these.
- Interest on Partners Capital is a
(a) charge against profit ; **(b) appropriation of profit**; (c) item of balance sheet; (d) none of these.
- Profit & Loss Appropriation A/c is a/an
(a) extension of Profit & Loss A/c; (b) extension of Trading A/c; (c) extension of Balance Sheet; (d) none of these.
- Transfer to general reserve is
(a) appropriation of profit; (b) charge against profit; (c) enhancement of profit; (d) none of these.

Compiled by
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