



St. Lawrence High School



A Jesuit Christian Minority Institution

Worksheet 42

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 7: Financial Statements

Date: 23/01/2021

Topic: Final Accounts 3

Choose the correct alternatives

1 x 15 = 15

1. Adjustment entry of closing stock is
 - (a) show in the credit side of trading a/c; (b) show in the debit side of trading a/c
 - (c) show in the credit side of P/L a/c; (d) show in the debit side of P/L a/c
2. Outstanding salaries should be
 - (a) add with salaries; (b) show as a liability in balance sheet; (c) both (a) & (b); (d) none of these
3. Prepaid insurance should be
 - (a) deducted from insurance in trading a/c; (b) deducted from insurance in P/L a/c;
 - (c) show in the liability side of balance sheet; (d) all of these
4. Accrued income should be
 - (a) add with the income; (b) add with the expenses;
 - (c) not to be recorded in final a/c; (d) none of these
5. Pre-received income should be
 - (a) add with the income; (b) deduct from the income; (c) add with the expenses; (d) none of these
6. If depreciation is charged on fixed asset that should be
 - (a) deduct from fixed asset; (b) show in the debit side of P/L a/c; (c) both (a) & (b); (d) none of these
7. If goods taken over by the owner of business for his personal use that should be deducted from
 - (a) opening stock; (b) purchases; (c) either from opening stock or purchases; (d) none of these
8. If goods distributed as free sample the accounting treatment in the final account is
 - (a) deduct from opening stock; (b) show in the debit side of P/L a/c;
 - (c) both (a) & (b); (d) none of these
9. Purchase of fixed assets if included in purchase account we need to deduct it from purchase because
 - (a) it is a capital expenditure; (b) it is a revenue expenditure;
 - (c) it is a deferred revenue expenditure; (d) all of these
10. Interest on capital should be
 - (a) recorded in debit side of trading a/c; (b) recorded in debit side of P/L a/c;
 - (c) add with the capital; (d) both (b) & (c)
11. If installation charges of machinery are wrongly included in wages account the accounting treatment
 - (a) deduct from wages; (b) add with machinery; (c) charges depreciation after addition; (d) all of these

12. Interest on loan should be
- (a) recorded in debit side of trading a/c; (b) debit side of P/L a/c;
 - (c) show in liability side; (d) both (b) & (c)
13. Which one of the following is an example of intangible asset?
- (a) building; (b) machinery; (c) furniture; (d) copy right
14. Which one of the following is an example of current liability?
- (a) capital; (b) long term loan; (c) outstanding wages; (d) debtor
15. Which one of the following is an example of current asset?
- (a) stock; (b) debtor; (c) cash at bank; (d) all of these

Prepared by
Pralay Kabi