



# St. Lawrence High School



A Jesuit Christian Minority Institution

## Worksheet 12

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 1: Introduction to Accounting

Date: 27/06/2020

Topic: Basic Accounting Terms 4

### Choose the correct alternatives

1 x 15 = 15

- Physical materials held by the business unit to support the flow of activities is known as  
(a) debtors; (b) purchase; (c) stock; (d) sales
- Stock is an example of  
(a) current asset; (b) non-current asset; (c) current liabilities; (d) non-current liabilities
- Stock can be valued at  
(a) cost; (b) net realizable value; (c) cost or net realizable value whichever is less; (d) all of these
- Amounts owed to the business unit generally by its customers arising out of credit sales is known as  
(a) stock; (b) debtors; (c) creditors; (d) stock
- Debtors consider in balance sheet as  
(a) current asset; (b) non-current asset; (c) current liabilities; (d) non-current liabilities
- Debtors are known as an important component of  
(a) fixed capital; (b) working capital; (c) both (a) and (b); (d) none of these
- Creditors can be generated due to goods purchased in  
(a) cash; (b) credit; (c) both cash & credit; (d) none of these
- Amount due from debtors can be received  
(a) in cash; (b) by cheque; (c) by bills receivables; (d) all of these
- Amount due to creditors can be paid  
(a) in cash; (b) by cheque; (c) by bills payables; (d) all of these
- Which of the following is known as negotiable instrument?  
(a) bills receivables; (b) bills payables; (c) both (a) & (b); (d) none of these
- Reduction in the price of goods below the amount at which those goods are generally sold to other customers is known as  
(a) assets; (b) liabilities; (c) discount; (d) all of these
- An allowance which is made by the manufacturers to wholesalers is known as  
(a) cash discount; (b) trade discount; (c) settlement discount; (d) all of these
- \_\_\_\_\_ is allowed to encourage a debtor to pay-off his debt within a specified period.  
(a) cash discount; (b) trade discount; (c) settlement discount; (d) all of these
- Which of the discounts are not separately recorded in the books of account  
(a) cash discount; (b) trade discount; (c) settlement discount; (d) all of these

15. At the time of final settlement a discount allowed to customer is known as  
(a) cash discount; (b) trade discount; (c) settlement discount; (d) all of these

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