



# St. Lawrence High School



A Jesuit Christian Minority Institution

Answer Key 39

Sub: ACCOUNTANCY

Class 11

F.M. 15

Chapter: Unit 3: Recording of Transactions

Date: 14/11/2020

Topic: Trial Balance 2

**Choose the correct alternatives**

**1 x 15 = 15**

1. Why does business prepare a trial balance?  
(a) to provide a list of all assets & liabilities; (b) to calculate its profits & loss  
**(c) to check the accuracy of its ledger entries;** (d) to check its bank balance
2. The totals of a trial balance do not agree. Which type of error causes this?  
(a) a compensating error; **(b) an error of casting;** (c) an error of omission; (d) an error of principle
3. An error of principle would occur if  
(a) plant & machinery purchased was credited to a fixed asset account;  
**(b) plant & machinery purchased was debited to the purchase account;**  
(c) plant & machinery purchased was debited to the equipment account;  
(d) plant & machinery purchased was debited to the correct account but with the wrong amount
4. Which of the following is not a characteristic of trial balance?  
(a) it proves the arithmetical accuracy of the books of account;  
(b) it can be prepared any time during the accounting period;  
**(c) it is a part of double entry system of book keeping**  
(d) it is a list of balances of all ledger accounts and cash book
5. Which of the following error is not detected by the trial balance?  
(a) wrong totaling of subsidiary book; (b) omission of account balance;  
**(c) errors in recording a transaction on the correct side of a wrong account;**  
(d) debits are wrongly posted as credit
6. Which is not shown in the heading of trial balance?  
(a) the date on which trial balance is prepared; (b) the name of the organization/business;  
**(c) the name of the person who prepared trial balance;** (d) the name of the proprietor
7. In a trial balance, which one of the following items would be correctly shown as a debit balance?  
(a) returns outward; (b) discount received; **(c) return inward;** (d) bank overdraft
8. In a trial balance which of the following items would be correctly shown as a credit balance?  
(a) carriage inward; (b) carriage outward; (c) discount allowed; **(d) discount received**
9. Which of the following is shown in the debit side of the trial balance?  
(a) discount received; (b) capital; **(c) sales return;** (d) bank overdraft

10. If X were post Rs. 1,000 to the debit of Y's account instead of to the credit of Y's account, this would be known as an error of  
(a) principle; **(b) commission**; (c) omission; (d) compensation
11. In a trial balance, debit balance may be summarized as  
(a) assets & liabilities; (b) assets & incomes; (c) incomes & expenses; **(d) assets & expenses**
12. A trial balance can be used to  
(a) help planning & decision making; (b) evaluate the performance of the business;  
**(c) provide a summary for the preparation of final accounts**;  
(d) disclose transactions which have been omitted from the recording process
13. If capital is Rs. 1,20,000; loan Rs. 80,000; Machinery Rs. 60,000. Credit side total of trial balance?  
(a) Rs. 2,60,000; (b) Rs. 1,40,000; (c) Rs. 60,000; **(d) Rs. 2,00,000**
14. Cash Rs. 20,000; Furniture Rs. 40,000; Bank overdraft Rs. 70,000; Investment Rs. 1,00,000.  
Total of debit side of trial balance is?  
**(a) Rs.1,60,000**; (b) Rs. Rs.2,30,000; (b) Rs. 60,000; (d) Rs.90,000
15. If capital Rs. 50,000 is recorded in debit side of trial balance and building Rs. 50,000 is recorded in the credit side, total of trial balance will be-  
**(a) matched**; (b) not matched; (c) either matched not matched; (d) none of these

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