

J&K POLICE PUBLIC SCHOOL, MIRAN SAHIB, JAMMU

SESSION 2018-19

Practice worksheet-1 for class 11 JKPPS (Accountancy)

Q1. Complete the following sentences with appropriate words:

- a) Information in financial reports is based on _____ transactions.
- b) Internal users are the _____ of the business entity.
- c) A _____ would most likely use an entities, financial reports to determine whether or not the business entity is eligible for a loan.
- d) The internet has assisted in decreasing the _____ in issuing financial reports to users.
- e) _____ users are groups outside the business entity, who uses the information to make decisions about the business entity.
- f) Information is said to be relevant if it is _____.
- g) The process of accounting starts with _____ and ends with _____ .
- h) Accounting measures the business transaction in terms of _____ units.
- i) Identified and measured economic events should be recording in _____ order.

Q2. You are a senior accountant of ABC enterprises ltd. What three steps would you take to make your company's financial statements understandable and decision useful?

1. _____
2. _____
3. _____

Q3. Which stakeholder group would be most interested in:

- a) The vat and other tax liabilities of the firm
- b) The potential of pay awards and bonus deals
- c) The ethical environmental activities of the firm
- d) Whether the firm has a long term future
- e) Profitability and share performance
- f) The ability of the firm to carry on providing a service or producing a product

Q4. Tick the Correct Answer

Which of the following is not a business transaction?

- a. Bought furniture of Rs.10, 000 for business
- b. Paid for salaries of employees Rs.5, 000
- c. Paid sons fees from his personal bank account Rs.20,000
- d. Paid sons fees from the business Rs.2,000

- Q5. Deepti wants to buy a building for his business today. Which of the following is the *relevant data for his decision*?
- Similar business acquired the required building in 2000 for Rs. 10,00,000
 - Building cost details of 2003
 - Building cost details of 1998
 - Similar building cost in August, 2005 Rs. 25,00,000
- Q6. Which is the last step of accounting as a process of information?
- Recording of data in the books of accounts
 - Preparation of summaries in the form of financial statements
 - Communication of information
 - Analysis and interpretation of information
- Q7. Which a qualitative characteristic of accounting information is reflected when accounting information is clearly presented?
- Understandability
 - Relevance
 - Comparability
 - Reliability
- Q8. Use of common unit of measurement and common format of reporting promotes;
- Comparability
 - Understandability
 - Relevance
 - Reliability
- Q9. Mr. Sunrise started a business for buying and selling of stationery with Rs. 5, 00,000 as an initial investment. Of which he paid Rs.1, 00,000 for furniture, Rs. 2, 00,000 for buying stationery items. He employed a sales person and clerk. At the end of the month he paid Rs.5, 000 as their salaries. Out of the stationery bought he sold some stationery for Rs.1, 50,000 for cash and some other stationery for Rs.1, 00,000 on credit basis to Mr. Ravi. Subsequently, he bought stationery items of Rs.1, 50,000 from Mr. Peace. In the first week of next month there was a fire accident and he lost Rs. 30,000 worth of stationery. A part of the machinery, which cost Rs. 40,000, was sold for Rs. 45,000.

From the above, answer the following:

1. What is the amount of capital with which Mr. Sunrise started business?
2. What are the fixed assets he bought?
3. What is the value of the goods purchased?
4. Who is the creditor and state the amount payable to him?
5. What are the expenses?
6. What is the gain he earned?
7. What is the loss he incurred?
8. Who is the debtor? What is the amount receivable from him?
9. What is the total amount of expenses and losses incurred?

Q10. Determine if the following are assets, liabilities, revenues, expenses or none of the these: sales, debtors, creditors, salary to manager, discount to debtors, drawings by the owner.

Answers Q1: a) Economic b) management/ employees c) creditor d) time-gap e) external f)free from bias g) identifying the transanctions and communicating information h) monetary i) chronological

Answer Q2: 1. Reliability,i.e verifiability, faithfulness,neutrality

2. relevance, i.e timeliness

3.understandibility and comparability

a) Answers Q3: a)government and other regulators b) management c) social responsibility groups d) lenders e) suppliers and creditors f) customers

IV answers Q4

1. (c) 2. (c) 3. (a) 4. (a) 5. (b) 6. (c) 7. (a) 8. (a) 9. (d)

Answer Q5

- 1. Rs. 5,00,000**
- 2. Rs. 1,00,000,**
- 3. Rs. 2,00,000**
- 4. Mr. Reace, Rs. 1,50,000**
- 5. Rs. 5,000**
- 6. Rs. 5,000**
- 7. Rs. 30,000**
- 8. Mr. Ravi, Rs. 1,00,000**
- 9. Rs. 35,000**
- 10. Assets : debtors; Liabilities : creditors; drawings; Revenues : sales expenses, discount,**
- 11.salary.**