

## CA CPT ACCOUNT Test Basic of Accounts

Test ID :079

Date : 11/10/2017 Time :00:48:00

- Qn.1) Which of the following is/are not the limitations of accounting?** [1]  
A. Provides Information to Interested Parties B. Accounting information is expressed in terms of money  
C. Accounting information is based on estimates. D. All of the above
- Qn.2) User of accounting information include** [1]  
A. Creditors B. Lenders C. Customers D. All of the above
- Qn.3) ..... constitutes the base for accounting.** [1]  
A. Book-keeping B. Posting C. Analyzing D. None of above
- Qn.4) Purposes of an accounting system include the following except** [1]  
A. Interpret and record the effects of business transaction B. Classify the effects of transactions to facilitate the preparation of reports. C. Summarize and communicate information to decision makers D. Dictate the specify types of business enterprise transaction that the enterprises may engage in
- Qn.5) Select the odd one in relation to users of accounting information's.** [1]  
A. Officers B. Managers C. Debtors D. Board of directors
- Qn.6) Which of the following is/are characteristics of accounting information?** [1]  
A. Relevance B. Reliability C. Comparability D. All of the above
- Qn.7) Which of the following is not a function of financial accounting** [1]  
A. Keeping systematic recording B. Meeting legal requirements C. Tax Evasion D. Communicating business results
- Qn.8) Which of these would be considered external user of a financial statement** [1]  
A. Board of Directors B. Shareholders C. Finance Manager D. Production Manager
- Qn.9) Which of the following is/are characteristics of accounting information?** [1]  
A. Understandability B. Timeliness C. Cost-benefit D. All of the above
- Qn.10) ..... is a system in which transactions are recorded on the basis of amounts having become due for payment or receipt.** [1]  
A. Accrual system of accounting B. Cash system of accounting C. Hybrid system of accounting D. None of the above
- Qn.11) Financial position of the business is ascertained on the basis of** [1]  
A. Record prepared under book-keeping. B. Trial balance C. Accounting Reports D. None of the above
- Qn.12) ..... attempt to record the financial effects o the transactions, events, and circumstances of an enterprise in the period in which they occur rather than recording them in period(s) in which cash is received or paid by the enterprise** [1]  
A. Accrual system of accounting B. Cash basis of accounting C. Hybrid system of accounting D. None of the above
- Qn.13) Accounting is a/an .....** [1]  
A. Science B. Art C. Subject of Sociology D. Subject matter of philosophy
- Qn.14) The direct advantage of accounting do not include:** [1]  
A. Preparation of financial statements B. Competitive advantage C. Ascertainment of profit or loss D. Information to interested groups
- Qn.15) Book-keeping is mainly concerned with** [1]  
A. Recording of financial data. B. Designing the systems in recording, classifying and summarizing the recorded data. C. Interpreting the data tor internal and external users. D. None of the above.
- Qn.16) The problems related to price-rise are handled under:** [1]  
A. Management Accounting B. Cost Accounting C. Financial Accounting D. Inflation Accounting

- Qn.17) Which of the following is/are the main functions of accounting?** [1]  
A. Keeping systematic records B. Protecting and controlling business properties C. Ascertaining the operational profit/loss D. All of the above
- Qn.18) Book-keeping is concerned with the..... of transactions while Accounting is concerned with the ..... of he recorded transactions.** [1]  
A. Recording, summarizing B. Summarizing, Recording C. Posting, Recording D. Summarizing, Posting
- Qn.19) All of the following are functions of Accounting except** [1]  
A. Decision making. B. Measurement C. Forecasting. D. Ledger posting
- Qn.20) .....involves the preparation of reports and statement from the classified data (ledger)under stainable and useful to management and other interested parties.** [1]  
A. classifying B. Recording C. Summarizing D. All of the above
- Qn.21) The Institute of Chartered Accountants of India(ICAI) constituted the....., with a view to harmonizing the diverse accounting policies and practices in use in India.** [1]  
A. Standards Board of Accounting (SBA) B. Accounting Standards Board (ASB) C. Accounting Standards Committee (ASC) D. Accounting Committee (AC)
- Qn.22) The ICAI so far has issued ..... accounting standards.** [1]  
A. 29 B. 30 C. 32 #d] 35 D.
- Qn.23) The Accounting Standards are mandatory for:** [1]  
A. Companies B. Partnership Concerns C. Charitable Organizations D. Sole Proprietorship
- Qn.24) Accounting Standards (ASs) are written policy documents may be issued by.....** [1]  
A. Expert accounting body B. Government C. Other regulatory body D. Any of the above
- Qn.25) Accounting Standards** [1]  
A. Harmonies accounting policies. B. Eliminate the non-comparability of financial statements. C. Improve the reliability of financial statements. D. All of the above.
- Qn.26) International Accounting Standards committee (IASC) was founded in** [1]  
A. 1973 B. 1977 C. 1980 D. 1999
- Qn.27) The Institute of Chartered Accountants of India (ICAI) constituted the Accounting Standards Board (ASB) on....., with a view to harmonizing the diverse accounting policies and practices in use in India.** [1]  
A. 2nd Oct, 1977 B. 21st April, 1977 C. 15th Aug, 1977 D. 21st April, 1997
- Qn.28) Which of the following provide frame work and accounting policies so that the financial statements of different enterprises become comparable.** [1]  
A. Business Standards B. Accounting Standards C. Market Standards D. None
- Qn.29) In India Accounting standards are issued by.....** [1]  
A. ICSI B. ICAI C. ICWA D. RBI
- Qn.30) Accounting standards are issued for the purpose of.....** [1]  
A. Improving reliability of financial statements B. Harmonizing diverse accounting practices C. Elimination of non-comparability between financial statements D. All of the above
- Qn.31) How many Accounting Standards have been issued by ICAI?** [1]  
A. 25 B. 20 C. 32 D. 2
- Qn.32) AS - 8 on Accounting for Research and Development:** [1]  
A. Is replaced by AS - 26 B. Is applicable only to listed companies C. Is mandatory for Research Institutions D. Is still in use
- Qn.33) Accounting for Fixed Assets :** [1]  
A. AS 6 B. AS 10 C. AS 3 D. AS 2

- Qn.34) Accounting Standards in India are issued by** [1]  
A. Central Govt. B. State Govt. C. Institute of Chartered Accountants of India D. Reserve Bank of India
- Qn.35) GAAP stands for** [1]  
A. Generally Adopted Accounting Process B. Generally Accepted Accounting Principles C. Generally Accepted Auditing Procedure D. None of the above
- Qn.36) All of the following are limitations of Accounting Standards except** [1]  
A. The choice between different alternative accounting treatment is difficult B. There may be trend towards rigidity C. Accounting Standards cannot override the statute. D. None of the above.
- Qn.37) Which of the following provide framework and accounting policies so that the financial statements of different enterprises become comparable?** [1]  
A. Business standards B. Accounting standards C. Market standards D. None of the above.
- Qn.38) It is essential to standardize the accounting principles and policies in order to ensure** [1]  
A. Transparency B. Consistency C. Comparability D. All of the above
- Qn.39) Accounting standards cover the aspects of.....of accounting transactions in the financial statements.** [1]  
A. Recognition B. Measurements C. Presentation and disclosure D. Any of the above
- Qn.40) International Accounting Standards are issued by the** [1]  
A. International Accounting Standards Board B. International Accounting Standards Committee C. Institute of Chartered Accountants of India D. Accounting Standards Council of America