

Chapter- 2

Question 1

Define basic accounting terms.

Question 2

Give three examples of revenues.

Question 3

Distinguish between profit and gain

Question 4

Distinguish between fixed assets and current assets

Question 5

Distinguish between revenue expenditure and capital expenditure

Question 6

Distinguish between expense and expenditure

Question 7

Distinguish between expenses and losses.

Question 8

Give two characteristics of a business transaction.

Very Short Question for Basic Accounting Terms

Question 1

What is Capital?

Question 2

What are Drawings?

Question 3

What are Liabilities?

Question 4

What are Assets?

Question 5

What are the Current Assets?

Question 6

Give two examples of current assets.

Question 6

How is the final position of a firm established?.

Question 7

Name the branch of commerce, which keeps a record of monetary transactions in a set of books..

Question 9

Give one point of distinction between book-keeping and accountancy.

Question 10

What is the end product of financial accounting?

Question 11

Name any two users of accounting information.

Question 12

Who are the internal users of accounting information?

Question 13

Who are the external users of accounting information?

Question 14

State the nature of information required by investors.

Question 15

What are the types of information required by long-term investors?

Question 16

What are the information needs of management?

Question 17

Mention two advantages of accounting.

Question 18

Write one limitation of accounting.

Question 19

Write the name of two qualitative characteristics of accounting information

Question 20

Which qualitative characteristic of accounting information requires the use of common unit and format of reporting?

Question 21

'Accounting information should be verifiable and free from personal Bias'. Name the qualitative characteristics of accounting information denoted by this statement.

Question 22

Name the two functions of accounting.

Question 23

What is the traditional function of accounting?

Question 24

Explain the characteristics of Accounting.

Higher Order Thinking Skills (HOTS) Questions

Question 1

State the amount of revenue. Godrej Ltd. imported from Germany one machinery for sale in India and other machinery for production purposes. Will you treat them goods or fixed assets?

Question 2

Mr. Jaspal Singh dealing in electronic goods sold 10 TV sets costing ₹30,000 each at ₹40,000 each. Out of this ₹, 5,00,000 were received in cash and the balance is not yet received.

Question 3

Mr. Dinanath who owed us ₹50,000 became insolvent and paid only 40% of this amount. What is the term used for the amount not received? .

Question 4

Explain a few basic accounting terms.

Value-Based Questions

Question 1

What is the value involved in classifying the assets into current and non-current?

Question 2

Discuss the value involved in classifying the receipts into capital and revenue?

Question 3

Identify the value involved in classifying the expenditure into capital and revenue.

Question 4

What is the reason that the capital expenditure is shown in the balance sheet?