

NORTH-EX PUBLIC SCHOOL (Session 2020-21)

Class – 11th

Subject – Accountancy

Unit/Chapter – 1,2 and 3

Worksheet No -4

REVISION

1. Complete the following sentences with appropriate words:
 - (a) Information in financial reports is based on
 - (b) Internal users are the of the business entity.
 - (c) A would most likely use an entities financial report 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.

2. Mr. Sunrise started a business for buying and selling of stationery with ` 5,00,000 as an initial investment. Of which he paid `1,00,000 for furniture, ` 2,00,000 for buying stationery items. He employed a sales person and clerk. At the end of the month he paid ` 5,000 as their salaries. Out of the stationery bought he sold some stationery for `1,50,000 for cash and some other stationery for `1,00,000 on credit basis to Mr.Ravi. Subsequently, he bought stationery items of `1,50,000 from Mr. Peace. In the first week of next month there was a fire accident and he lost ` 30,000 worth of stationery. A part of the machinery, which cost ` 40,000, was sold for ` 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?
 10. 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.

3. 'The accounting concepts and accounting standards are generally referred to as the essence of financial accounting'. Comment.
4. Why is it important to adopt a consistent basis for the preparation of financial statements? Explain.
5. Discuss the concept-based on the premise 'do not anticipate profits but provide for all losses'.
6. What is matching concept? Why should a business concern follow this concept? Discuss.