

Financial and Cost Accounting

1. _____ says that an asset is entered in the books of accounts at the price paid to acquire and put it to use. This cost will be the basis for all subsequent accounting for this asset.
 - (a) Money measurement concept
 - (b) **Cost concept**
 - (c) Cost attach concept
 - (d) None of the above

2. Aspects of accounting (Financial, cost and management) are not really separable in practice but the concepts and purposes related to each are sufficiently different so that these can be studied separately.
 - (a) **Yes**
 - (b) No

3. Each account in _____ represents a summarised record of all the transactions concerning that particular account.
 - (a) Cash book
 - (b) Debit note/Credit note
 - (c) **Ledger**
 - (d) Journal

4. _____ is the basic documentary evidence that supports a business transaction.
 1. Source document
 2. Invoice
 3. Cheque
 4. Paying in slip
 - (a) **1, 2, 3 and 4**
 - (b) 1 and 2
 - (c) 2 and 3
 - (d) 1

5. The vouchers will indicate the accounts affected and will have the approvals of the authorised persons indicating:-

- (a) That the transaction has been accepted and it can be recorded
- (b) That the transaction is now known to the authorities
- (c) That the necessary payment may be made to the concerned party
- (d) **None of the above**

6. There can be following types of Cash/Bank books:-

- 1. Single column cash book
- 2. Two column cash and discount book
- 3. Single column bank book
- 4. Two column bank and discount book
- 5. Two column cash and bank book
- 6. Three column cash and discount book

- (a) 1, 2, 4, 5 and 6
- (b) 1, 2 and 6
- (c) 2, 4, 5 and 6
- (d) **1, 2, 3, 4, 5 and 6**

7. _____ also known as 'Cost-Merge' concept recognises that to convert raw materials into a finished product, services of other factors of production are necessary.

- (a) Money measurement concept
- (b) Materiality concept
- (c) Realisation concept
- (d) **Cost attach concept**

8. _____ are the accounts where the identity of the party dealt with can be ascertained.

- (a) Real accounts
- (b) **Personal accounts**
- (c) Proprietary accounts
- (d) Nominal accounts

9. The register of fixed assets must indicate, inter alia:-

1. The name of the suppliers of the Fixed Asset
2. Date of purchase
3. Description
4. Value
5. Location
6. Depreciation charged year after year
7. Written down value year after year

- (a) **1, 2, 3, 4, 5, 6 and 7**
- (b) 1, 3, 4, 5 and 6
- (c) 1, 2, 3 and 7
- (d) 1, 2, 4 and 6

10. Operating costs are generally collected under the headings of:-

- (a) Semi-fixed or maintenance charges
- (b) Variable or running charges
- (c) Fixed or standing charges
- (d) **All of the above**