

Name:

E-Mail ID:

Principles and Practice of Accounting

Test Series 1 (26th July 2020)

Total: 50 Marks

Time Allotted: 1.5 to 2 Hours

- 1) a) Define Accounting. What are the sub-fields of Accounting? (3m)
b) Who are the Users of Accounts?(3m)

- 2) What Services can a Chartered Accountant provide to the society?(5m)

- 3) Write short notes on
 - a) Fundamental Accounting Assumptions(5m)
 - b) Matching Concept and Prudence (3m)

- 4) Describe any 3 characteristics of Financial Statements (4m)

- 5) Are the following expenditure capital in nature? Explain in Detail(4m)
 - i) M/s X& Co run a restaurant. They renovate some of the old cabins.Because of this renovation,some space was made free and number of cabins was increased from 10 to 13.The total expenditure was Rs.25000
 - ii) M/s Y & Co of Chennai purchased a machinery from M/s Chettiyar&Co of Madurai. M/s Y&Co spent Rs.30000 for transportation of the machinery . The year ending is 31st Dec 2020.

- 6) Differentiate between provision and Contingent Liability(4m)**

- 7) Define Accounting policies. 'Change in Accounting policies may have material effect on the items of financial statements '. Explain with examples.(5m)**

- 8) Describe in brief, the alternative measurement bases, for determining the value at which an element can be recognized in the balance sheet or statement of profit and loss.(5m)**

- 9) What is the importance of issue of Indian Accounting standards?(4m)**

- 10) Explain the objective and advantages of setting Accounting Standards(5m)**