



INDIAN SCHOOL DARSAIT
CLASS TEST 3, MAY 2018
ACCOUNTANCY (055)



Class: XI

Max. Marks: 20

Date: 03-05-2018

Time: 40 min.

General Instructions:

(i) All questions are compulsory.

Bases of Accounting

1. What is meant by Cash Basis of Accounting? [1]
2. Under Cash Basis of Accounting expenses are recorded on _____ [1]
3. What is meant by Accrual Basis of Accounting? [1]
4. Under Accrual Basis of Accounting expenses are recorded on _____ [1]
5. What is meant by Prepaid expense? [1]
6. What is meant by Accrued income? [1]
7. Which are the principles followed by Accrual Basis of Accounting? [2]
8. Write any two advantages and disadvantages of Cash Basis of Accounting? [2]
9. Write any two advantages and disadvantages of Accrual Basis of Accounting? [2]
10. Differentiate between Accrual Basis of Accounting and Cash Basis of Accounting. Any four differences. [4]
11. Arvind is a dealer of cars. During the financial year 2017-18, he earned revenue of ₹ 5,00,000, out of which he received ₹ 4,30,000. He incurred expenses of ₹ 2,10,000, out of which ₹ 60,000 are outstanding. He also received commission relating to previous year ₹ 90,000 and also paid ₹ 30,000 expenses of last year.
You are required to calculate his income for the year 2017-18 if:
 - (a) he follows Cash Basis of Accounting [2]
 - (b) he follows Accrual Basis of Accounting. [2]