

QUICK DRILL · CBSE CLASS 11

Theory Base of Accounting

Accountancy · Chapter 2 · 15 MCQs · 20 minutes · PYQ-tagged with time budgets

DATE	TOTAL MARKS 15	DURATION 20 min	MARKING +1 / 0	TARGET ≥ 12/15
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OBJECTIVES

Reinforce the four core topics of Theory Base of Accounting via 15 PYQ-derived MCQs. Identify weak sub-topics via concept-node IDs (see answer key). Build per-question time budget habit.

INSTRUCTIONS

Attempt all 15. Time budget shown per Q (use it as pacing guide). Mark answers (A/B/C/D) in the margin. Answer key + explanations on the last page. **Don't peek — score yourself honestly.**

SECTION · QUICK DRILL

Q 1-15 · 20 MIN

- Q1.** The rules and standards that guide how accounting is done, making accounts comparable, are called:
(A) Vouchers **(B)** GAAP
(C) Ledgers **(D)** Audits
 PYQ 2022 · CBSE SQP · 1m · 25s
- Q2.** Recording the owner's drawings separately from business expenses follows the:
(A) Cost concept **(B)** Business entity concept
(C) Matching concept **(D)** Materiality
 PYQ 2023 · CBSE SQP · 1m · 30s
- Q3.** The skill and honesty of employees are NOT recorded in the books because of the:
(A) Going concern concept **(B)** Money measurement concept
(C) Dual aspect concept **(D)** Consistency
 PYQ 2021 · School Annual · 1m · 30s
- Q4.** Assets are shown at cost (not break-up value) because the business is assumed to continue. This is the:
(A) Going concern concept **(B)** Realisation concept
(C) Materiality **(D)** Prudence
 PYQ 2022 · CBSE SQP · 1m · 30s
- Q5.** Dividing the life of a business into yearly intervals to measure performance is the:
(A) Cost concept **(B)** Accounting period concept
(C) Dual aspect **(D)** Accrual
 PYQ 2020 · School Annual · 1m · 25s
- Q6.** A machine bought for ₹2,00,000 is shown at ₹2,00,000 (less depreciation), not at its market value. This follows the:
(A) Cost concept **(B)** Conservatism
(C) Full disclosure **(D)** Matching
 PYQ 2023 · CBSE SQP · 1m · 30s
- Q7.** The accounting equation is:
(A) Assets = Liabilities – Capital **(B)** Assets = Liabilities + Capital
(C) Capital = Assets + Liabilities **(D)** Liabilities = Capital – Assets
 PYQ 2022 · CBSE SQP · 1m · 25s
- Q8.** Every transaction has two aspects of equal amount. This is the basis of double entry and is the:
(A) Matching concept **(B)** Dual aspect concept
(C) Money measurement **(D)** Materiality
 PYQ 2021 · School Annual · 1m · 25s
- Q9.** Revenue is recognised when goods are delivered, not when cash is received. This is the:
(A) Cash basis **(B)** Revenue recognition (realisation) concept
(C) Conservatism **(D)** Consistency
 PYQ 2022 · School Annual · 1m · 30s

Q10. Charging this year's outstanding rent against this year's sales to find correct profit follows the:

- (A) Matching concept (B) Cost concept
(C) Entity concept (D) Materiality

PYQ 2023 · CBSE SQP · 1m · 30s

Q11. Valuing closing stock at the lower of cost or market value is an application of:

- (A) Consistency (B) Conservatism (prudence)
(C) Full disclosure (D) Going concern

PYQ 2022 · CBSE SQP · 1m · 30s

Q12. Using the same depreciation method every year so results are comparable is the:

- (A) Materiality (B) Consistency
(C) Objectivity (D) Dual aspect

PYQ 2021 · CBSE SQP · 1m · 30s

Q13. Under the ACCRUAL basis, revenue is recorded when it is:

- (A) Received in cash (B) Earned
(C) Banked (D) Invoiced and paid

PYQ 2023 · School Annual · 1m · 30s

Q14. Which is NOT one of the three fundamental accounting assumptions?

- (A) Going concern (B) Consistency
(C) Accrual (D) Conservatism

PYQ 2022 · CBSE SQP · 1m · 30s

Q15. Accounting Standards in India are issued by:

- (A) SEBI (B) ICAI
(C) RBI (D) IASB

PYQ 2021 · CBSE SQP · 1m · 30s

ANSWER KEY & EXPLANATIONS

Q 1-15 · MARK YOUR SCORE

Q1. Answer: B

GAAP = Generally Accepted Accounting Principles — the shared rulebook.

Q2. Answer: B

The business is treated as separate from its owner — entity concept.

Q3. Answer: B

Only money-measurable facts are recorded — money measurement concept.

Q4. Answer: A

Going concern assumes the firm will keep operating, so assets stay at cost.

Q5. Answer: B

Accounting period concept splits the endless life into equal periods (usually a year).

Q6. Answer: A

Cost (historical cost) concept — record at price actually paid.

Q7. Answer: B

From the dual aspect concept: Assets = Liabilities + Capital.

Q8. Answer: B

Dual aspect concept — equal debit and credit for every transaction.

Q9. Answer: B

Revenue recognition concept — record revenue when earned/realised.

Q10. Answer: A

Matching concept — match period expenses to period revenues.

Q11. Answer: B

Conservatism — provide for possible loss, never overstate profit.

Q12. Answer: B

Consistency convention — apply policies uniformly across periods.

Q13. Answer: B

Accrual basis — record revenue when earned (and expense when incurred).

Q14. Answer: D

The three are going concern, consistency and accrual; conservatism is a convention.

Q15. Answer: B

The Institute of Chartered Accountants of India (ICAI) issues Indian Accounting Standards.