

Important Topics Exposition:

[The important information of this chapter has been provided here at a glance.]

1. Organization's internal and external parties/users are interested about – Accounting information.
2. Organization's financial condition – can be obtained by preparing accounting reports.
3. Accounting is called – the language of business.
4. The change of Organization's financial condition can be ascertained by Accounting knowledge – by summarizing the financial transactions.
5. The foremost objective of accounting is – to record the transactions properly into the books of accounts.
6. One of the main objectives of accounting is – to ascertain financial condition and result.
7. The main goal behind recording all the incomes and expenses properly – to determine the accurate financial condition.
8. It is possible to locate the motion of a business – through identifying the profit & loss.
9. Reducing cost – can optimize the objective of a business.
10. With proper recording of accounts – we can resist and control fraud and forgery.
11. Service oriented non-profit organizations – like schools, colleges, hospitals, clubs & societies – ascertain their accounts balance.
12. Accounting helps to determine – in collecting VAT, Duties and taxes.
13. The necessity of accounting is essential – for keeping a fine, discipline and a thrifty/frugal life.
14. In the beginning of civilization – people used to keep records of different important events on the bark of trees, by drawing lines on stones in caves.
15. Luca Pacioli – was an Italian Mathematician.
16. The father of accounting and bookkeeping is – Luca Pacioli.
17. The double entry system of accounting – was invented in 1494.
18. Luca Pacioli – gave the basic principles of double entry system in the 1400s.
19. The modern/ scientific accounting took off in the 1400s.
20. The use of accounting is seen in – personal life, business, profit making organization, non-profit making organization.
21. The scientific accounting saves – time and labor as well as helps organization taking faster decision.
22. Accounting is known as – Information system.
23. The internal users of accounting are – Owners and managers.
24. The external users of accounting are – loan/credit providers, government, creditors, workers & officers.
25. To prevent water pollution from factory wastage the conscious decisions businesses take – are the result of societal and environmental duty.
26. Providing scholarship among poor and meritorious students – role of social welfare of any business organization.
27. Accounting increases – people's honesty and sense of responsibility.
28. By increasing the clarity of accounting information – employees are forged to be more honest and responsible.
29. Accounting helps to create value perception – religious value creation, honesty and duty, not becoming defaulter of loan payment.
30. The main sources of income of government are – VAT, customs, excise and income tax etc.
31. Accounting acts as a carrier – for the modern age value perception.
32. Accountability – remaining responsible to third party for own work.
33. In modern decentralized system – people are empowered for income, expense, investment and accountability so that they stay in motion.
34. Absence of economic accountability causes great anarchy in every economic and non-economic affair.
35. Accounting has the most influence in creating – accountability.

Board MCQ:

- In which name does accounting appraise?
 - Information system
 - Banking system
 - Money system
 - Social system
- How can optimize the objective of a business?
 - Cost control
 - Goodwill increase
 - Increase of sales
 - Recording of account
- From what type of responsibility of the business organization maximum expenditure to protect the water pollution by wastage?
 - Social responsibility
 - State responsibility
 - Business responsibility
 - Personal liability
- Absolute power is given to specific persons in modern decentralization system –
 - For income of business
 - For investment of business
 - To be active in taking liabilityWhich one is correct?
 - i & ii
 - ii & iii
 - i & iii
 - i, ii & iii
- Who is the internal user of accounting information?
 - Government
 - Creditors
 - Management
 - Accountant
- Which one is the non-profitable services company?
 - Club
 - Bank
 - Advertisement agency
 - Insurance

[Considering the following information, answer the question no. 07 & 08.]

after observing the report of accounts, prepared by Mr. Topan, Mr. Shawn, the manager of Alpha traders decided to pay Mr. Sohel's receivables, taking loan from Sonali bank.

- Who is the internal user of accounting information's of Alpha traders?
 - Mr. Shawn
 - Mr. Topan
 - Mr. Sohel
 - Sonali Bank
- Financial statement and reporting is prepared for knowing which of the item of organization?
 - Decision
 - External situation
 - Financial position
 - Amount of cost
- Main principle of accounting in which century given by Luca Pacioli?
 - Thirteenth century
 - Fifteenth century
 - Fourteenth century
 - Sixteenth century
- In modern age which element works for values –
 - Information user
 - Accounting
 - Book keeping
 - Accounting equation
- What is one of the prime objectives of accounting?
 - Determine the financial result and statement
 - To prevent the fraud
 - Control the cost
 - Making decision
- Which is one of the main objectives of accounting?
 - Recording and classifying of transactions
 - Ascertaining of financial condition and result
 - Controlling the fraud and forgery
 - Determination of amount of daily sales
- Accounting is called in the name of –
 - Operating power of business
 - Part & parcel of business
 - Language of business
 - Heart of business
- Who is the external user of accounting?
 - Owner
 - Manager
 - Shareholder
 - Proprietor
- External user of accounting information is –
 - Internal auditor
 - Owner
 - Loan provider
 - Manager
- What is the main objective of following proper method of recording the transactions?
 - To determine the proper financial condition
 - To prevent fund
 - To take various decision of business
 - To control the cost

Extra MCQ:

17. Which year indicates the period of origin of double entry system of Book Keeping?
a) 1394
b) 1449
c) 1441
d) 1494
18. Providing scholarship among the poor and meritorious students is – for any institution.
a) Duties
b) Responsibilities
c) Social commitment
d) Rules
19. Which one is the main objectives of accounting?
a) Recording & classifying of transactions
b) Ascertaining of financial condition
c) Controlling the fraud and forgery
d) Determination of amount of daily cash transaction
20. Who was Luca Pacioli?
a) Scientist
b) Architecture
c) Astronomer
d) Mathematician
21. From where did modern accounting start its journey?
a) USA
b) Rome
c) UK
d) Italy
22. Who is the father of Modern Accounting?
a) L.C. Crop
b) A.W. Johnson
c) Luca Pacioli
d) R.N. Carter
23. What is the fundamental base of modern accounting?
a) Journal book
b) Double entry system
c) One entry system
d) Financial statement
24. Who is not external user of accounting information?
a) Loan provider
b) Government
c) Owner
d) Creditors
25. Which one is a language of business?
a) Accounting information
b) Cashflow statement
c) Accounting
d) Financial statement
26. Internal users of accounting information in a business are the –
i) Owner
ii) Accounting department
iii) Auditor
Which one is correct?
a) i & ii
b) ii & iii
c) i & iii
d) i, ii & iii

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