

Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 11 Short Question Preparation

Q1. What is balance sheet?

Ans 1: Balance sheet is a statement of assets ,liabilities and owner equity which show the financial position of the business on a particular date.

Q2. What is Accounting period concept?

Ans 1: According to this concept "The life of business is divided into short accounting Reporting period of equal length."

Q3. Define selling expenses.

Ans 1: These are the expenses which are directly or indirectly incurred to promote sales of the business or delivery of goods. These expenses increase or decrease with the increase or decrease of sales of goods, Advertisement ,publicity ,carriage outwards etc.

Q4. What are bad debts?

Ans 1: In business, bad debts is the portion of a loan or accounts receivable which a lender consider to be uncollectable.

Q5. Define service revenue.

Ans 1: When business renders services, it usually receive cash from its customers, The amount so received during an accounting period is known as services revenue.

Q6. What are adjustments?

Ans 1: An adjustment means to make a correct records of a transaction which has not been entered which has been entered but in an incomplete or wrong way.

Q7. Define bad debtors.

Ans 1: The debts which are irrecoverable from the debtors are called bad debts and the concerned debtor are called bad debtors.

Q8. Define fictitious assets?

Ans 1: Assets which have no market value are called fictitious assets,
