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**Faculty Name: Ms.Shweta Chauhan**

**Subject: Principles of Accounting**

**IMPORTANT THEORY QUESTIONS**

**Unit 1**

1. Define accounting standards. What are the types of accounting standards?
2. Explain the accounting standards followed in India and outside India (IFRS).
3. Explain the concept of GAAP.
4. What do you mean by price level change? Explain the techniques of price level change.
5. What are the concepts and conventions of accounting?
6. Explain Indian as well as International accounting standards in detail.
7. Explain the following methods of Price level change:

a) Current Purchasing power technique b) Replacement cost accounting technique

c) Current value accounting technique d) Current cost accounting technique

**Unit 2**

1. What do you mean by non-trading organization/ non-governmental organization? Explain the characteristics and purpose of non-trading organization.
2. Write down the format of receipt & payment a/c, income &expenditure a/c and balance sheet of non trading organization.
3. Differentiate between receipt & payment a/c and income &expenditure a/c.
4. What do you mean by consignment? What are the objectives or importance of consignment?
5. Which two parties are involved in consignment? Write down the accounting treatment in case of consignment.
6. Differentiate between-

a) Consignment and joint venture b) sale and consignment

c) Del credere commission and over-riding commission

1. Define joint venture. Write down the methods of accounting treatment in joint venture.

**Unit 3**

1. Define Banking companies. What are the functions of bank?
2. What do you mean by slip system? Explain the 3 types of slip system used by banks.
3. Draw the format of final accounts of banking companies. {Hint: a)Profit & Loss A/C b)Interest earned a/c c)Other income a/c d)Interest extended a/c e)operating expenses a/c
4. Define insurance. Explain the types of insurance.What are the accounts prepared by the general insurance companies?
5. What do you mean by departmental stores? What is the main objective of departmental accounting?
6. Explain Branch and its types.

**Unit 4**

1. Differentiate between hire purchase system and installment method.
2. Write down the journal entries in the books of hire purchaser and hire vendor in hire purchase system.
3. Define royalty, minimum rent, short-working and recoupment of short-working. Write down the journal entries in royalty accounting.

**Unit 5**

1. What is partnership firm? Explain the characteristics of partnership firm. What are the accounts prepared by the firm?
2. What do you mean by partnership deed? Explain with its content.
3. What do you mean by dissolution of firm?