## **Objective and Descriptive Questions on Financial Accounting**

### **Objective Questions**

These questions require specific, factual answers.

**Basic Accounting Concepts:**

* What is the accounting ?
* What is management accounting?
* What is financial accounting?
* Define assets, liabilities, and equity.
* What are the three primary financial statements?
* What information is presented on the balance sheet?
* What are the steps involved in the accounting cycle?
* Explain the purpose of journal entries and ledgers.
* What is the trial balance, and why is it prepared?

### **Descriptive Questions**

* Explain the importance of financial accounting for businesses and investors.
* Discuss the ethical considerations in financial accounting.
* How do accounting standards impact financial reporting?
* Explain the role of financial statement analysis in decision-making.
* Discuss the current trends and challenges in financial accounting.

Fill in the blanks and multiple choice questions on financial Accounting

**Fill in the blanks:**

* The accounting equation is: Assets = Liabilities + \_\_\_\_\_\_\_\_\_\_.
* The process of recording financial transactions is called \_\_\_\_\_\_\_\_\_\_.
* Revenue minus expenses equals \_\_\_\_\_\_\_\_\_\_.
* A(n) \_\_\_\_\_\_\_\_\_\_ is a document used to record transactions before they are posted to the ledger.

**Multiple Choice:**

1.Which of the following is NOT a basic accounting principle?

a) Going concern

b) Matching

c) Revenue recognition

d) Historical cost

2.The accounting concept that states that financial statements should be prepared on a consistent basis is:

a) Materiality

b) Consistency

c) Going concern

d) Accrual accounting