I. Short Questions: (5 marks)
1. What is adjusting entry?
2. What is outstanding expenses?
3. What is prepaid expenses?
4. What is accrued income?
5. What is bad debts?
6. Who is good debtors?
7. What is Single entry system?
8. What is statement of Affairs?
9. What is conversion method?
10. Define Depreciation?
11. What is residual value?
12. What is obsolescence?
13. What is Revaluation method?
14. Define Budget?
15. What are the characteristics of budget?
16. Write a notes on Cash budget.
17. What are the advantages of Cash budget?
18. Give five examples of cash receipts.
19. Give five examples of cash payments.
20. What are the methods of preparation of cash budget?
21. Enumerate the steps in the preparation of cash budget.
22. What are the methods of valuation of Goodwill?
23. What is Super profit?
24. What is Revaluation account?
25. What is a share?
26. What do you understand by calls in arrears?
27. What do you mean by calls in advance?
28. What is forfeiture of shares?
29. What is meant by capital reserve?
30. What is Reserve capital?
31. What is pro-rata allotment?

II. Paragraph Questions: (12 marks)
1. What are the causes of depreciation?
2. What are the needs for providing depreciation?
3. List out the methods of preparation of cash budget.
4. Define Budget. What are the characteristics and advantages?
5. What are the factors of affecting the value of goodwill?
6. Distinguish between Sacrificing ratio and gaining ratio.
7. Distinguish between Fixed capital method and fluctuating capital method.
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