

Course
&
Test Series

Self-Made Assignment - Manual Accounting

Financial Statement with Adjustment - Interest on loan and Bad debt

Mention whether the following statements are True or False.

- Financial statements prepared without considering adjustments do not reflect the correct financial positions of the business.
- The accounting treatment of adjustments is done only in Balance Sheet.
- The Accounting treatment of adjustment entry is done only in Trading Account or Profit & Loss Account.
- Adjustments are always related to future

Multiple Choice Questions.

- When no adjustment is done for outstanding wages. Gross profit ascertained will be
 - more than the actual
 - less than the actual
 - equal to the actual
 - will not be affected
- Prepaid expenses are expenses
 - paid in advance
 - outstanding expenses
 - expenses incurred for the current year
 - expenses paid for the previous year
- Depreciation is debited to
 - Trading account
 - profit and loss account
 - concerned asset account
 - none of the above
- An item of adjustment is shown
 - only in trading account
 - only in profit and loss account
 - only in balance sheet
 - In trading account or P&L A/c and also in Balance Sheet

 CBSE

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 Central Govt. Service

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