

# CONCEPT BOOK

## CORPORATE & MANAGEMENT ACCOUNTING

### Features of the Book

- ▶ Comprehensive book covering theory & practical MCQ
- ▶ Coloured book for quick revision - important points are in RED colour.
- ▶ Updated as per provisions of companies act, 2013.
- ▶ Diagrammatic presentations, easy to recall.

## Topic 1

## Introduction to Financial Accounting

## A. INTRODUCTION

- Business activities require **resources**,
- Success of a business depends on how **efficiently and effectively** these resources are managed
- Hence, there is a need to ensure that the **businessman tracks the use of these resources**

Two basic questions would have to be answered:

- What is the **result** of any business operations? (Whether it has made profit or loss?)
- What is the **position** of the resources acquired and used for business purposes? How are these resources financed? Where do the funds come from? (Balance sheet)

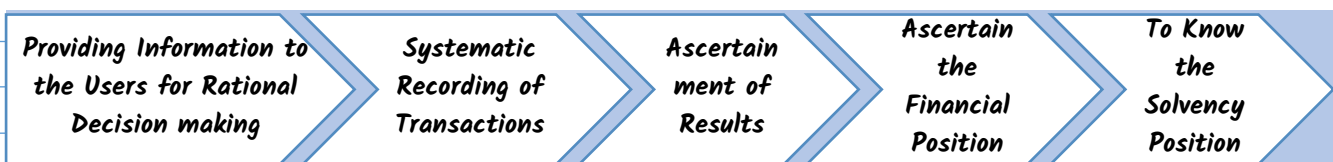
**Definition**

American Institute of Certified Public Accountants (AICPA): "Accounting is "the art of **recording, classifying and summarizing** in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof"

The above definitions discloses the following important points:

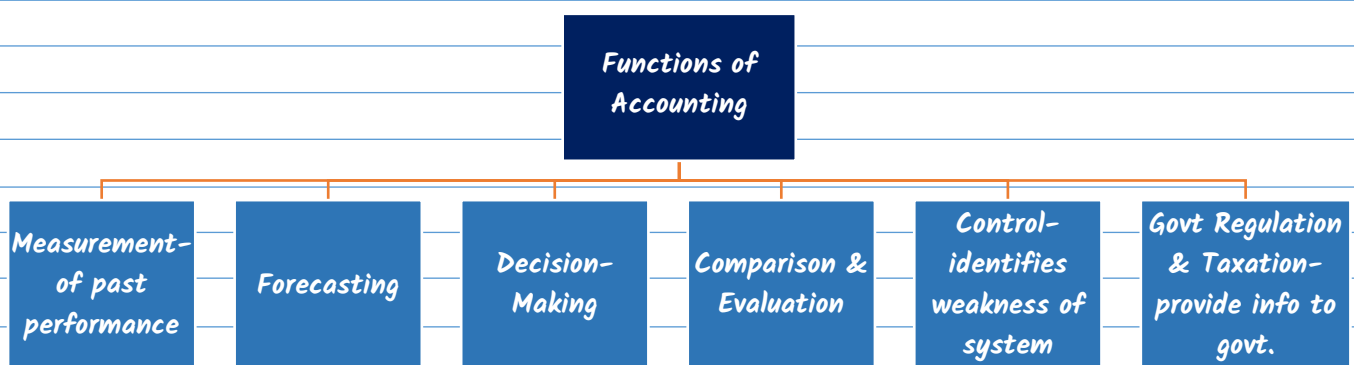
- Accounting is an art as it requires **skills** to record and prepare the accounts.
- Accounting is a process of **recording** the transactions in systematic manner.
- Accounting is concerned with transaction which is measurable in terms of **money**.
- Accounting is done with view to **communicate financial information / position** to interested parties.

## B. OBJECTIVES OF ACCOUNTING:



- Providing **Information** to the Users for Rational Decision-making
- Systematic **Recording** of Transactions
- Ascertainment of **Results** of Above Transactions
- Ascertain the **Financial** Position of Business
- To Know the **Solvency Position**

## C. FUNCTION OF ACCOUNTING:



- **Measurement:** Accounting measures past performance of a business entity and depicts its current financial position.
- **Forecasting:** Accounting helps in forecasting future performance and financial position of an enterprise using past data.
- **Decision-Making:** Accounting provides relevant information to the users of accounts to aid rational decision-making.
- **Comparison & Evaluation:** Accounting assesses performance achieved in relation to targets and discloses information regarding accounting policies and contingent liabilities
- **Control:** Identifies weaknesses of the operational system and provides feedbacks regarding effectiveness of measures adopted to check such weaknesses.
- **Government Regulation and Taxation:** Provides necessary information to the government to exercise control on the entity as well as in collection of tax revenues.

#### D. BOOK KEEPING

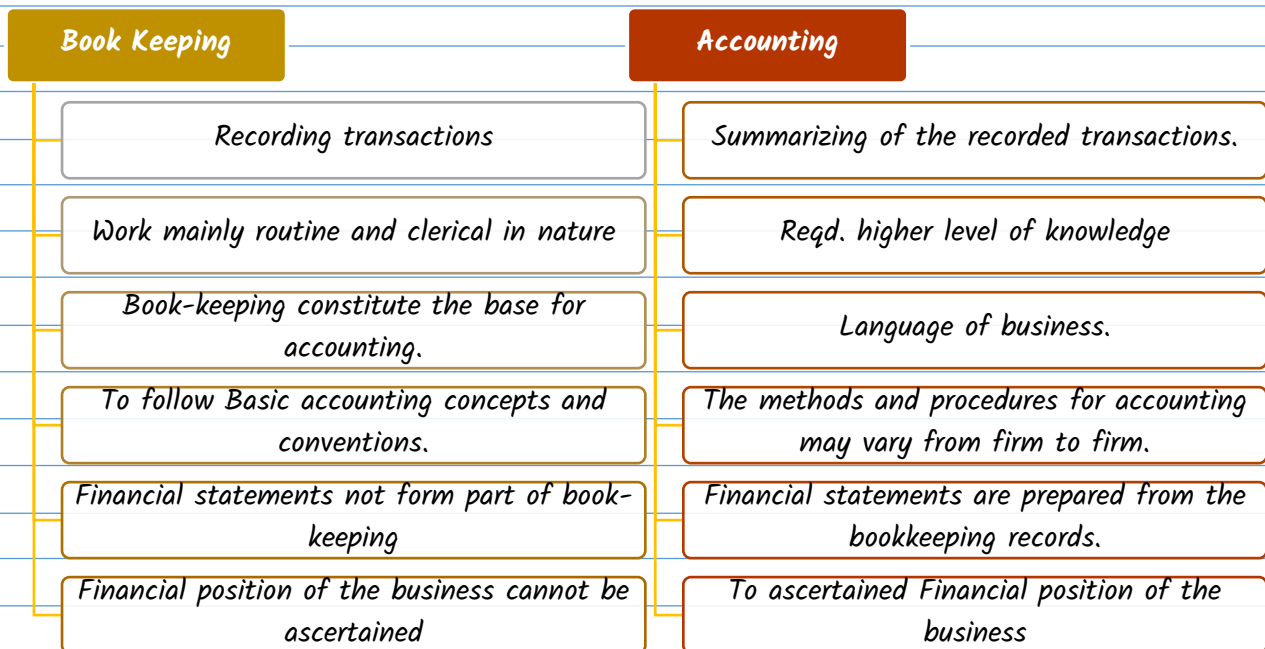
Carter says, Book-Keeping is a science as well as art of **correctly recording in books of accounts all those business transactions** that result in transfer of money or money's worth'.

(Recording and classifying financial data in chronological order)

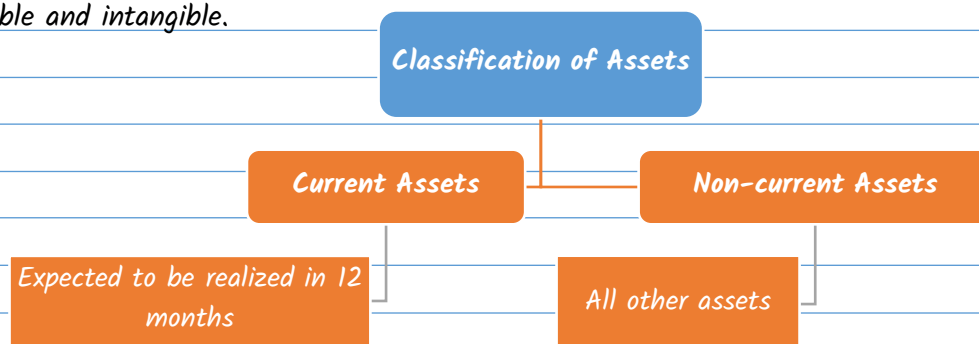
**Book-keeping is a mechanical task which involving:**

- **Collection** of basic financial information
- **Identification** of events and transactions with financial character
- **Measurement** of economic transactions in terms of money
- **Recording** of financial effects of economic transactions in order of its occurrence
- **Classifying** effects of economic transactions
- Preparing organized statement known as **Trial Balance**

**Distinguish between: Book Keeping & Accounting**



**Asset:** Asset is owned by a business with the purpose of using it for generating future profits. Assets can be tangible and intangible.



**Current Assets**— if it satisfies **any** of the following:

- It is expected to realize in, or is intended for sale or consumption in normal Operating Cycle,
- It is held primarily for the purpose of being traded,
- It is due to be realized within 12 months after the Reporting Date, or
- It is Cash or Cash Equivalent unless it is restricted from being exchanged or used to settle a Liability for at least 12 months after the Reporting Date.

**Non-Current Assets**— All other Assets classified as Non-Current Assets, e.g., Machinery held for use

**Current Liabilities**— when it satisfies **any** of the following:

- It is expected to be settled in the company's normal Operating Cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the Reporting Date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date (Terms of a Liability that, at the option of the counterparty,

result in their settlement by the issue of Equity Instruments which do not affect its classification).

**Non-Current Liabilities**– All other liabilities shall be classified as Non-Current Liabilities. For example loan taken for 5 years, Debentures issued etc.

**Internal Liability:** These represent proprietor's equity, i.e., all those amount which are entitled to the proprietor, like Capital, Reserves and Undistributed Profits.

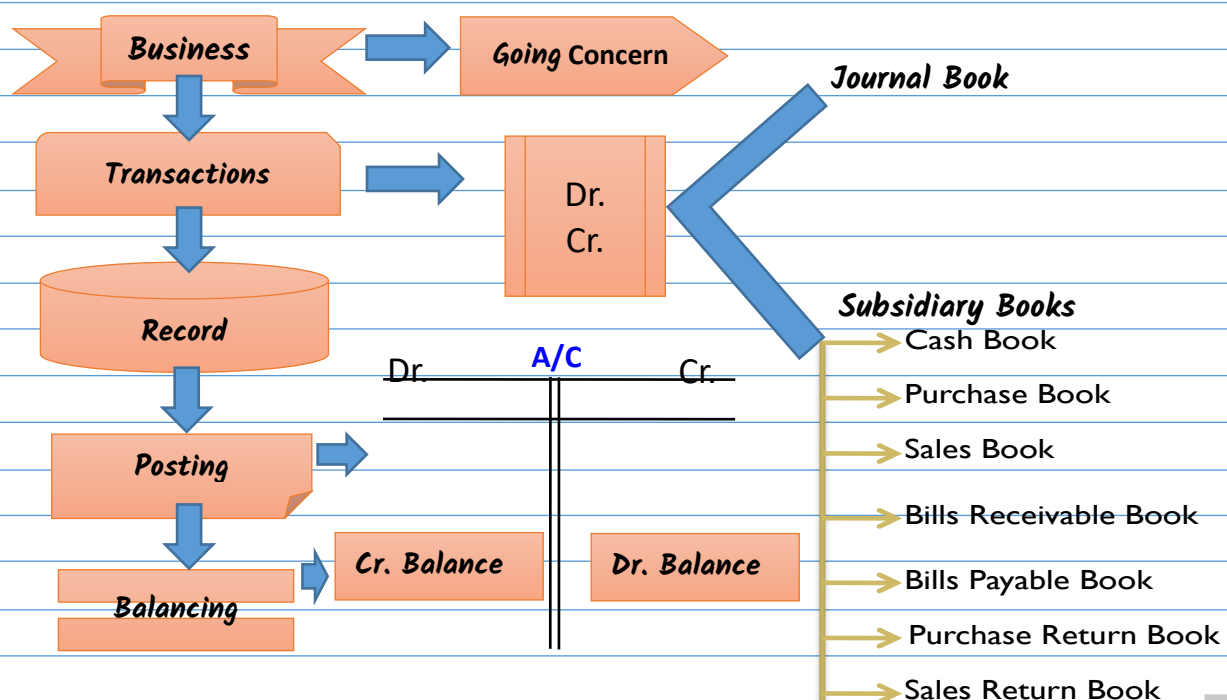
**Contingent Liability:** It represents a potential obligation that **could be** created depending on outcome of an event. For example if a supplier of a business files a legal suit, it will not be treated as a liability because no obligation is created immediately. If verdict of the case is given in favour of the supplier then only the obligation is created. Till that it is treated as a contingent liability. Please note that contingent liability is not recorded in books, but disclosed a note through in the financial statements.

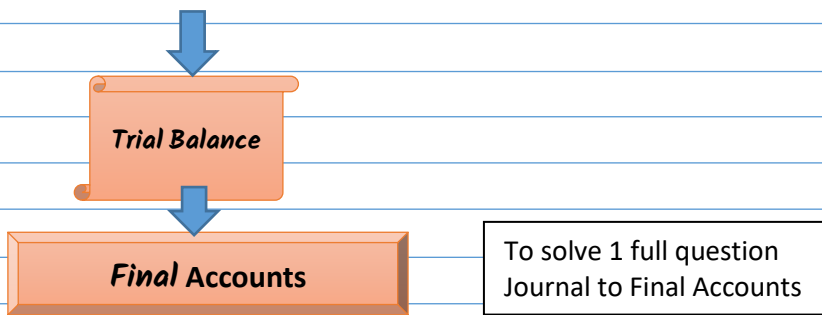
**Wasting Assets:** Like mines, quarries, etc., that become exhausted by their use are wasting assets.

**Capital Expenditure:** Represents expenditure incurred for purpose of acquiring a fixed asset which is intended to be used over long term for earning profits, e.g., amount paid to buy a computer for office use. At times expenditure may be incurred for enhancing production capacity of the machine. This will also be capital expenditure. Capital expenditure forms a part of the Balance Sheet.

**Revenue Expenditure:** Represents expenditure incurred to earn revenue of current period. Benefits of revenue expenses get exhausted in the year of incurrence. Example repairs, salary and wages, etc. Revenue expenditure results in reduction in profit or surplus. It forms become part of Income statement.

## E. ACCOUNTING PROCEDURE





### Phases of Accounting Cycle:

Recording	· Transaction to be recorded in primary book.
Journal	· The transactions are recorded in the journal chronologically.
Ledger	· All journals are posted into ledger chronologically in a classified manner.
Trial balance	· All the ledger balances transferred to Trial Balance for the preparation of FS
Adjustment entries	· Adjustment entries are to be recorded before preparing financial statements.
Adjusted T.B.	· After adjusted entries, adjusted Trial Balance may also be prepared.
Closing Entries	· Nominal accounts are to be transfer to Trading and Profit and Loss Account
Financial Statement	· Can now be easily prepared & will show true position and operating results.

### F. DOUBLE ENTRY SYSTEM

- In 1494 Luca Pacioli, Italian mathematician, first published his principles of Double Entry System.
- Double entry system made it possible to record not only cash but mercantile transactions.
- It created an impact on auditing too, because it enhanced the duties of an auditor

### Features of Double Entry System

- Every transactions have two Effects (Dr. & Cr.)
- Two A/c: One is receiver of benefit & other is giver
- If One A/c is Dr. other must be Cr. (Dr. = Cr.)

### Advantages of Double Entry System

**Advantages of Double Entry System**

Complete Records (Both Effects)  
 Ensure Arithmetical Accuracy  
 Business Results  
 Common Acceptance  
 Minimize Frauds  
 Receivable & Payable Balances can determined easily  
 Decision Making  
 Easy Tax Calculation  
 Helps in decision making

**Limitations of Double Entry System**

- Not Disclose all errors
- Trial Balance does not disclose all the errors
- It costly (Required to maintain no. of a/c)

**6. TYPES OF ACCOUNTS:** Personal, Real & Nominal accounts.

Dr. ↓

**ALL ASSETS, DRAWING, DEBTORS, EXPENSES & LOSSES → Dr. Balance ↑ Cr.**

**ALL LIABILITIES, CAPITAL, CREDITORS, INCOMES & GAINS → Cr. Balance ↑ Dr.**

The rule for **personal** accounts is: Debit the receiver, Credit the giver

The rule for **real** accounts is: Debit what comes in, Credit what goes out

The rule for **nominal** accounts is: Debit all expenses and losses, Credit all incomes and gains

**Valuation Account**

- A valuation account is paired with an asset or liability account, and
- Is used to offset value of the assets or liabilities recorded in the account with which it is paired
- Result of this account pairing is a net balance, which is the carrying amount of the underlying asset or liability.

**Examples:**

- Provisions for depreciation [Valuation (Real)]
- Provisions for doubtful debts [Valuation (Personal)]
- Stock reserve [Valuation (Real)]
- Provisions for discount on creditors [Valuation (Personal)]

**Accounting Equation**



- Dual aspect concept says, two aspect of transaction should be considered, this concept is based on double entry book-keeping which means that record is made of the two aspect of each transaction.
- Accounting equation:  $\text{Capital} = \text{Assets} - \text{Liabilities}$  OR  $\text{Capital} + \text{Liabilities} = \text{Assets}$

## H. JOURNAL

Journal is a book of prime entry in which all the business transactions are originally recorded in chronological order and from which they are posted to the ledger accounts at any convenient time.

## I. SUBSIDIARY BOOKS OF ACCOUNT

- Journal is sub-divided into various parts known as subsidiary books or sub-divisions of journal.
- A register of this type is called a book of original entry or of prime entry.
- Each one of the subsidiary books is a special journal and a book of original or prime entry.
- There are no journal entries when records are made in these books.

Transaction	Subsidiary Book
All cash and bank transactions	Cash Book has columns: cash, bank & discount
All credit purchase of goods	Purchase Day Book or Purchase Register
All credit sale of goods	Sales Day Book or Sales Register
All purchase returns of goods back to suppliers	Purchase Return Book or Return Outward
All sales returns of goods back from Customers	Sales Return Book or Return Inward Book
All bill receivables bills accepted by Customers	Bills Receivable Book
All bills payable accepted by business to be honoured	Bills Payable Book
For all other transactions	Journal Proper

## J. PETTY CASH BOOK

- A business house makes a number of small payments like telegram, textiles, cartage etc.
- Usually firms appoint a petty cashier who makes these small payments and keep record of these payments in a separate cash book which is called petty cash book.

### Advantage of petty cash book:

- (1) Saving of time: Saving of time of the chief cashier.
- (2) Saving of labour: Saving in labour in writing up the cash book.
- (3) Control: It provides control over small payments.
- (4) Convenience in preparing ledger amounts.

### Imprest System for petty cash book:

- The petty cashier is given a sum of money in the beginning of the period.
- During the period he makes payment out of this money.
- At end the firm reimburses him the amount paid by him so that the balance of cash with him remains same in the beginning of the period as well as at the end of the period.



**K. JOURNAL (PROPER)/ GENERAL JOURNAL**

Is used to record all the residual transactions which cannot find place in any of the subsidiary books. While recording, the entries are made in the journal covering both the aspects of the transaction.

Examples of transactions which are entered in this book.

- (1) Opening entries and closing entries
- (2) Adjusting entries
- (3) Transfer entries from one account to another account
- (4) Rectification entries
- (5) Credit purchase / sale of an asset other than goods

**L. MULTIPLE CHOICE QUESTIONS:**

1. Accounting is "the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof". This definition is given by -

- (A) Institute of Chartered Accountant of India
- (B) Institute of Chartered Accountant of England
- (C) American Institute of Certified Public Accountants
- (D) Institute of Chartered Accountant of Pakistan

2. Which of these is not a function of Financial Accounting?

- (A) To provide financial information to the users of the financial statements.
- (B) To portray gloomy picture of the business in order to evade tax liabilities.
- (C) To keep a systematic record of business transactions.
- (D) To depict a true and fair view of the

financial position of the business.

3. The process of grouping transactions or entries of the same type at one place is known as -

- (A) Classifying
- (B) Recording
- (C) Summarizing
- (D) Numbering

4. Which of the following is the branch of accounting?

1. Human Resources Accounting
2. Social Accounting
3. Security Accounting

The correct answer is -

- (A) (I) & (II)
- (B) (II) & (III)
- (C) (I) & (III)
- (D) None of the above

5. Which of the following is/are NOT the advantages of accounting?

- (A) Helps in taxation matters
- (B) Valuation of business

(C) Accounting information is based on estimates.	<b>On the basis of following information answer next 4 questions.</b>
(D) All of the above	
<b>6. Which of the following is/are not the limitations of accounting?</b>	Mohan purchased a machinery amounting ₹10,000 on 1.4.2010. On 31.3.2019, similar machinery could be purchased for ₹20,000 but the realizable value of the machinery (purchased on 1.4.2010) was estimated at ₹15,000. The present discounted value of the future net cash inflows that the machinery was expected to generate in the normal course of business, was calculated as ₹12,000.
(A) Provides information to interested parties	
(B) Accounting information is expressed in terms of money	
(C) Accounting information is based on estimates.	
(D) All of the above	
<b>7. _____ is a system in which accounting entries are made only when cash is received or paid.</b>	<b>10. The current cost of the machinery is -</b>
(A) Accrual system of accounting	(A) ₹ 10,000
(B) Cash system of accounting	(B) ₹ 20,000
(C) Hybrid system of accounting	(C) ₹ 15,000
(D) Mercantile system of accounting	(D) ₹ 12,000
<b>8. Which of the following is/are the essential features of accrual basis of accounting?</b>	<b>11. The present value of machinery is -</b>
(A) Revenue is recognized when cash is received	(A) ₹ 10,000
(B) Costs are matched against revenues on the basis of relevant time period to determine periodic income.	(B) ₹ 20,000
(C) Costs which are not charged to income are carried forward and are kept under continuous review.	(C) ₹ 15,000
(D) Both (B) & (C)	(D) ₹ 12,000
<b>9. Which of the following is/are external users of accounting information's?</b>	<b>12. The historical cost of machinery is -</b>
(A) Shareholders/investors	(A) ₹ 10,000
(B) Creditors	(B) ₹ 20,000
(C) Government agencies	(C) ₹ 15,000
(D) All of the above	(D) ₹ 12,000
	<b>13. The realizable value of machinery is -</b>
	(A) ₹ 10,000
	(B) ₹ 20,000
	(C) ₹ 15,000
	(D) ₹ 12,000
	<b>14. Accounts which represent a certain person or group of persons are termed as -</b>
	(A) Artificial or legal persons' account
	(B) Natural persons personal account
	(C) Representative personal accounts

- (D) Any of the above
15. The rule for nominal accounts is -  
 (A) Debit the receiver, Credit the giver  
 (B) Debit what comes in, Credit what goes out  
 (C) Debit all expenses and losses, Credit all incomes and gains  
 (D) All of the above
16. Provision for doubtful debts account, stock reserve account etc. are -  
 (A) Valuation (Personal) accounts  
 (B) Artificial or legal persons' personal account  
 (C) Tangible real accounts  
 (D) Nominal Accounts
17. Which of the following equation is correct?  
 (A) Capital + Liabilities - Fixed Assets + Current Assets  
 (B) Capital + Liabilities - Current Assets = Fixed Assets  
 (C) Assets = Liabilities + Capital  
 (D) All of the above
18. A businessman purchased goods for ₹25,00,000 and sold 80% of such goods during the accounting year ended 31st March, 2019. The market value of the remaining goods was ₹4,00,000. He valued the closing stock at cost. He violated the concept of -  
 (A) Periodicity  
 (B) Conservatism  
 (C) Money measurement  
 (D) Cost
19. On 31.3.2019 after sale of goods ₹2,000, Neelam is left with the closing inventory of ₹10,000. This is  
 (A) An event  
 (B) A transaction  
 (C) A transaction as well as an event  
 (D) Neither a transaction nor an event
20. Provisions for doubtful debts, provision for discount on debtors are based on -  
 (A) Prudence  
 (B) Substance over form  
 (C) Materiality  
 (D) All of the above
21. Journal is book of -  
 (A) Analytical record  
 (B) Chronological record  
 (C) Alphabetical record  
 (D) None of above
22. Purchases day book records -  
 (A) All cash purchases  
 (B) All credit purchases  
 (C) Credit purchases of trading goods  
 (D) All of the above
23. When the goods are returned to the supplier, a is sent to him.  
 (A) Credit note  
 (B) Debit note  
 (C) Thank you note  
 (D) All of the above
24. Balance of cash column in cash book has  
 (A) Dr. balance  
 (B) Cr. Balance  
 (C) Dr. or Cr. Balance  
 (D) None of the above
25. Which of the following is/are advantages of the imprest system?  
 (A) It saves the time of the chief cashier  
 (B) It reduces the chances of misuse of cash

by the petty cashier.	nature
(C) It enables a great saving to be effected in the posting of small items to the ledger accounts.	(D) All of the above
(D) All of the above	
<b>26. ₹3,50,000 cash paid to creditors for settlement of credit purchases will be recorded in -</b>	<b>30. Accounting involves -</b>
(A) Sales Book	(i) Recording
(B) Purchase Book	(ii) Classifying
(C) Journal Proper (General Journal)	(iii) Summarizing
(D) Cash Book	Select the correct answer from options given below -
	(A) (I)
	(B) (I) & (III)
	(C) (I) & (II)
	(D) All of the above are correct
<b>27. Expenses whose benefit expires within the year of expenditure and which are incurred to maintain the earning capacity of existing assets are termed as -</b>	<b>31. Which of the following involves the preparation of reports and statements from the classified data (ledger) understandable and useful to management and other interested parties?</b>
(A) Capital expenditure	(A) Classifying
(B) Revenue expenditure	(B) Recording
(C) Deferred revenue expenditure	(C) Summarizing
(D) None of the above	(D) All of the above
<b>28. Fee paid to a lawyer for checking whether all the papers are in order before land is purchased is ----- But if later a suit is filed against the purchaser, the legal costs will be.</b>	<b>32. Which of the following is/are the main functions of accounting?</b>
(A) Capital expenditure, Revenue expenditure	(A) Keeping systematic records
(B) Revenue expenditure, Revenue expenditure	(B) Protecting and controlling business properties
(C) Deferred revenue expenditure, Revenue expenditure	(C) Ascertaining the operational profit/ loss
(D) Revenue expenditure, Capital expenditure	(D) All of the above
<b>29. Which of the following is attribute of accounting?</b>	<b>33. Book-keeping is concerned with the ----- of transactions while Accounting is concerned with the ----- of the recorded transactions.</b>
(A) Accounting is social science.	(A) Recording, summarizing
(B) It involves recording, classifying and summarizing.	(B) Summarizing, Recording
(C) It records transaction of qualitative	(C) Posting, Recording
	(D) Summarizing, Posting

34. \_\_\_\_\_ is a system in which transactions are recorded on the basis of amounts having become due for payment or receipt.
- (A) Accrual system of accounting  
(B) Cash system of accounting  
(C) Hybrid system of accounting  
(D) None of the above
35. Which of the following has no relevance whether the receipts pertain to previous period or future period?
- (A) Accrual system of accounting  
(B) Cash system of accounting  
(C) Hybrid system of accounting  
(D) None of the above
36. Cash system of accounting is suitable in which of the following cases?
- (A) Where the organization is very small or in the case of individuals  
(B) Where credit transactions are almost negligible and collections are uncertain  
(C) Both (A) & (B)  
(D) Neither (A) nor (B)
37. Which of the following is/are the essential features of accrual basis of accounting?
- (i) Revenue is recognized only when cash is received.  
(ii) Costs are matched against revenues on the basis of relevant time period to determine periodic income.  
(iii) Costs which are not charged to income are carried forward and are kept under continuous review.  
(iv) Receipts or incomes are recorded as and when cash is received or becomes due on the other hand payments are recorded only when cash is actually paid.
- The correct answer is -**  
(A) (I) & (IV) only
- (B) (I), (III) & (IV) only  
(C) (III) & (IV) only  
(D) (II) & (III) only
38. Accounting is of primary importance to the -
- (A) Proprietors and the managers  
(B) Creditors and workers  
(C) Debtors & government  
(D) Bankers & creditors
39. Regulatory Agencies interested as users of accounting information's includes -
- (A) Various Government departments  
(B) Agencies such as National Company Law Tribunal (NCLT)  
(C) Registrar of Companies (RoC)  
(D) All of the above
40. Which of the following is/are cannot be treated as role of accountant?
- (A) Strategy formulation  
(B) Internal Audit  
(C) Statutory Audit  
(D) Maintenance of Books of Account
41. \_\_\_\_\_ refer to the specific accounting principles and the methods of applying those principles adopted by the enterprise in the preparation and presentation of financial statements.
- (A) Accounting methods  
(B) Accounting policies  
(C) Accounting concepts  
(D) Accounting assumptions
42. Accounting policies followed by organizations -
- (A) Can be changed every year.  
(B) Should be consistently followed from year to year

(C) Can be changed after 5 years (D) None of the above	<b>days. As a result of this transaction</b> (A) Total assets increased by ₹50,000 (B) Total liabilities increased by ₹40,000 (C) Total assets increased by ₹40,000 (D) Total assets increased by ₹40,000 with corresponding increase liability by ₹40,000
<b>43. Book value &amp; Market value of machinery on 31.3.15 was ₹1,00,000 &amp; ₹1,10,000 respectively. As on 31.3.19, if the company values the machinery at ₹1,10,000, which of the following valuation principle is being followed -</b> (A) Historical Cost (B) Present Value (C) Realisable Value (D) Current Cost	<b>48. Transactions which are inter-connected and have taken place simultaneously are recorded by means of a-</b> (A) Adjustment entry (B) Combined journal entry (C) Either (A) or (B) (D) Closing entry
<b>44. Personal accounts are of the following types.</b> (A) Natural, Real, Representative (B) Artificial, Legal, Nominal (C) Natural, Artificial, Representative (D) Any of the above	<b>49. At the end of the accounting year all the nominal accounts of the ledger book are -</b> (A) Balanced but not transferred to profit and loss account (B) Not balanced and also the balance is not transferred to the profit and loss account (C) Balanced and the balance is transferred to the balance sheet (D) Not balanced and their balance is transferred to the profit and loss account.
<b>45. Which system of accounts recognizes the fact that every transaction has two aspects and records both aspects of each and every transaction?</b> (A) Single entry system (B) Double entry system (C) Double account system (D) Duplicate account system	<b>50. The total of the purchases day book is posted periodically to the debit of -</b> (A) Purchases account (B) Cash book (C) Journal proper (D) None of these
<b>46. Mr. Ashok buys clothing of ₹50,000 paying cash ₹20,000. What is the amount of expense as per the accrual concept?</b> (A) ₹30,000 (B) ₹20,000 (C) ₹50,000 (D) Nil	<b>51. Cash sales are recorded in -</b> (A) Journal proper (B) Sales Book (C) Cash Book (D) All of the above
<b>47. Mr. Bhandari purchased a car for ₹50,000, making a down payment of ₹10,000 and signing a ₹40,000 bill payable due in 60</b>	



- (C) Rectification Entries  
(D) Opening Entries
52. When fixed assets or stationeries are purchased on credit, the entries are passed in the  
(A) General journal  
(B) Purchase day book  
(C) Purchase Account  
(D) Any of the above
53. Which of the following is not a column of a three-column cash book?  
(A) Discount column  
(B) Petty cash column  
(C) Bank column  
(D) Cash column
54. Rent due for the month of March will appear -  
(A) On the payment side of the cash book  
(B) On the receipt side of the cash book  
(C) Nowhere in the cash book  
(D) As a contra entry
55. Total of debit side discount column of cash book is posted to -  
(A) Cr. of Discount Received A/c  
(B) Dr. of Discount Received A/c  
(C) Cr. of Discount Allowed A/c  
(D) Dr. of Discount Allowed A/c
56. The balance in the petty cash book is -  
(A) a liability  
(B) an asset  
(C) a profit  
(D) an expense
57. \_\_\_\_\_ are passed for rectifying errors which might have committed in books of a/c.  
(A) Transfer Entries  
(B) Adjustment Entries
- (C) Rectification Entries  
(D) Opening Entries
58. A trial balance will not balance if -  
(A) Correct journal entry is posted twice.  
(B) The purchase on credit basis is debited to purchases and credited to cash.  
(C) ₹500 cash payment to creditors is debited to creditors for ₹50 and credited to cash as ₹500.  
(D) None of the above.
59. Difference of totals of both debit and credit side of the trial balance is transferred to -  
(A) Miscellaneous account  
(B) Difference account  
(C) Trading account  
(D) Suspense account
60. After preparing the trial balance the accountant finds that the total of debit side is short by ₹1,500. This difference will be -  
(A) Credited to suspense account  
(B) Debited to suspense account  
(C) Adjusted to any of the debit balance account  
(D) Adjusted to any of the credit balance account
61. A second hand motor car was purchased on credit from B & Co. for ₹10,000. It will be recorded in -  
(A) Journal Proper (General Journal)  
(B) Cash Book  
(C) Purchase Book  
(D) Sales Book
62. Outstanding salary ₹34,000 to be provided in the accounts will be recorded in -



- |   |   |
|---|---|
| (A) Bills receivable book   | <b>condition or to defend their ownership are</b>   |
| (B) Journal proper (General Journal)  | (A) Capital expenditure, Revenue expenditure  |
| (C) Purchases Return Book   | (B) Revenue expenditure, Revenue expenditure  |
| (D) Purchase book   | (C) Deferred revenue expenditure, Revenue expenditure   |
| <b>63. Amounts paid for wages, salary, carriage of goods, repair, rent &amp; interest, etc. are items of-</b> | (D) Revenue expenditure, Capital expenditure  |
| (A) Capital expenditure   | <b>65. All sums spent up to the point an asset is ready for use should also be treated as -</b> |
| (B) Revenue expenditure   | (A) Capital expenditure   |
| (C) Deferred revenue expenditure  | (B) Revenue expenditure   |
| (D) None of the above   | (C) Deferred revenue expenditure  |
| <b>64. Costs incurred to acquire an asset are but costs incurred to keep them in working</b>                  | (D) None of the above   |



## CA CS Harish Mathariya

Founder - Onlylectures  
Co-Founder - Yes Academy

Harish Mathariya is a Chartered Accountant as well as a Company Secretary by profession. He specializes in extending services in the areas of Finance & Auditing. He is also a visiting faculty to the most reputed Management Institutes in & around Pune.

His core lies in routing accounts through the very basics, for which, he has been the most loved face for Accounts.

Having taught students for over 10 years, he is well known for taking Accounts in a very conceptual way.

To his credit, he has 100+ All India Rankers, which also includes AIR 1 twice.

His students acknowledge his simplification in Accounts as "Don't worry Bol Hari". He is a Founder of <http://www.onlylectures.com> and is also a Co-Founder of YES Academy, most loved academy for CS.



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