Choose the correct answer:

1. **The principle requiring that all relevant information be disclosed in financial statements is known as...:**
   A) Principle of materiality
   B) Full Disclosure Principle
   C) Matching Principle
   D) Principle of conservatism

2. **Which accounting assumption relates to the measurement of financial performance over a specified period?**
   A) Going concern assumption
   B) Time-period assumption
   C) Separate entity assumption
   D) Unit of measure assumption

3. **What is the monetary unit assumption?**
   A) All transactions should be recorded in units of measure.
   B) Only significant transactions should be measured.
   C) Financial statements should be prepared in a consistent currency.
   D) Currency fluctuations should be ignored

4. **What is meant by the term "materiality principle" in accounting?**
   A) All information must be disclosed regardless of importance.
   B) Only information that significantly influences decisions should be disclosed.
   C) Profit must be materialized before recognition.
   D) All financial statements should be material in format

5. **If a company values its assets purely based on their initial costs, it is using which method?**
   A) Current replacement cost
   B) Historical cost
   C) Fair value
   D) Inflation accounting

6. **GAAP standards are primarily used in which country?**
   A) European Union
   B) United Kingdom
   C) United States
   D) Russia

7. **The term "separate business entity" refers to:**
   A) A joint venture
   B) An individual practicing accounting
   C) A distinct legal entity separate from its owners
   D) A partnership agreement

8. **"Subsidiaries" are:**
   A) Partnerships of accounting firms
   B) Independent entities with no relation
   C) Companies controlled by another company
   D) Government agencies

9. **What is the full form of IFRS?**
   A) International Financial Regulations Standards
   B) International Finance and Reporting Systems
   C) International Financial Reporting Standards
   D) International Financial Resource Standards

10. **Which accounting principle requires entities to record revenue when it is earned?**
    A) Materiality Principle
    B) Revenue Recognition Principle
    C) Matching Principle
    D) Full Disclosure Principle

LIVEWORKSHEETS