

Student Name: _____
3C Principles of Accounts

Date: _____ Class: _____
Teacher: Mrs. C. Williams-Noralez

Chapter 4 Accounting Concepts

Section A: Multiple Choice. Choose the correct answer from the options given.

1. The term used to refer to things a business own is known as _____.
a. Capital b. Asset c. Liability d. Accounting
2. The money invested in the business by the owner is called _____.
a. Capital b. Asset c. Liability d. Accounting
3. The concept states that net profit is the difference between revenues and expenses.
a. Going concern b. Historical Cost c. Accrual d. Realisation
4. Under confidentiality, which of the following persons should be given access to personal financial information of the company?
a. Investors b. Organization's auditors c. Government Tax Dept d. all of the Above
5. What is another name for the statement of financial position?
a. Income Statement b. Trial Balance c. Balance Sheet d. Source Document

Section B: Fill in the Blanks. Choose the correct answer from the options given below.

Confidentiality	Materiality	Substance over form	Realisation	Accrual Concept	Prudence
Business Entity	Going Concern	Consistency	Money Measurement	Historical	
Cost	Objectivity	Subjectivity	Source Documents		

1. Another name for the Matching Concept is _____
2. When the value of an item is based upon the facts and evidence. This is known as _____
3. Make decision based solely on your personal opinion and not on facts, this is known as _____
4. An individual decides on the price for selling his vehicle based on the price he originally paid for it. He is using the _____ concept.
5. This concept separates the owner's personal affairs from the Business operations and transactions.
6. A concept that predicts that the business will continue in operation in the future and will not close down.
7. When a business used a fixed method of valuation or depreciation of asset, this is known as _____
8. An accounting concept where the accountant would take caution and use the understated figure instead of an overstated figure. This is the _____ concept.