

Q.1 GAAP stands for:

- (a) Generally Accepted Accounting Provisions
- (b) Generally Accepted Accounting Policies
- (c) Generally Accepted Accounting Principles
- (d) None of these

Q.2 Which accounting principle states that companies and owners should be treated as separate entities.

- (a) Monetary Unit Assumption
- (b) Business Entity Concept
- (c) Periodicity Assumption
- (d) Going Concern Concept

Q.3 Cost or expenses must be recorded at the same time as the revenue to which they correspond is specified by which principle?

- (a) Matching Principle
- (b) Going Concern Principle
- (c) Consistency Principle
- (d) Prudence Principle

Q.4 Which concept states that "for every debit, there is a credit"?

- (a) Money Measurement Concept
- (b) Accounting Period Concept
- (c) Separate Entity Concept
- (d) Dual Aspect Concept

Q.5 For measuring income, the most acceptable method is?

- (a) To apply normal rate of return on capital invested
- (b) To apply the average return in industry on capital
- (c) To match the cost with revenue
- (d) To find out the difference in net worth as on two dates