The City School

**North Nazimabad Boys Campus**

**Second Monthly Test Session 2019 – 20**

**Class - 10**

**Time: 35 Minutes Accounting Marks 20**

**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Sec: \_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Q1a. Define the following; [5]

1. Prepaid expense
2. Accrued income

Q1b. Salman’s financial year ends on 31 March.

He receives an invoice for telephone expenses quarterly in arrears.

On 1 April 2008 the telephone expenses account in Salman, nominal ledger showed a credit balance of $ 60.

During the year ended 31 March 2009 his payments for expenses include the following;

2008 5 April Telephone expenses paid in cash $ 60

2008 30 June Telephone expenses paid by cheque $ 58

 2 October Telephone expense paid by cheque $ 50

 31 December Telephone expenses paid by cheque $ 54

An invoice for telephone expenses for $ 65 was received on 31 March 2009. This was for telephone expenses up to the end of March, but was not paid until 2 April 2009

Write up the telephone expenses account in Salman’s nominal ledger for the year ended 31 March 2009. [10]

Q2. Answer the following MCQs. [5]

Details of an electricity account are given;

|  |  |
| --- | --- |
| Owing at 31 December 1998 | $ 800 |
| Paid in 1999 | 10000 |
| Owing at 31 December 1999 | 1000 |

1. **What amount will appear in the Income statement in 1999 for electricity?**
2. $ 9800 B. $ 10000 C. $ 10200 D. $ 11800
3. **Which of these would appear as current assets in the Balance Sheet?**
4. Wages due
5. The rent received in advance
6. Insurance premium paid in advance
7. Commission income received in advance
8. **An expense which the firm has used up, but which has not yet been paid for, is called;**
9. Prepaid expenses
10. Administrative expense
11. Accrued expenses
12. Distribution expenses
13. **Credit balance brought down on rent account means;**
14. We owe that rent at that date
15. We have paid rent in advance at that date
16. We have paid too much rent
17. We have paid too little rent
18. **A business has paid rent of $ 3200 for the year 1 April 2000 to 31 March 2001**

**What adjustment is needed to the rent account at the end of the financial year on 31 December 2000?**

1. An accrual of $ 800
2. And accrual of $ 2400
3. A prepayment of $ 800
4. A prepayment of $ 2400