

# The City School

## Class 9 (Principles Of Accounting)

**MC4** Which of the following is incorrect?

|     | Assets | Liabilities | Capital |
|-----|--------|-------------|---------|
|     | £      | £           | £       |
| (A) | 7,850  | 1,250       | 6,600   |
| (B) | 8,200  | 2,800       | 5,400   |
| (C) | 9,550  | 1,150       | 8,200   |
| (D) | 6,540  | 1,120       | 5,420   |

**MC5** Which of the following statements is correct?

|                                    | Effect upon |                 |
|------------------------------------|-------------|-----------------|
|                                    | Assets      | Liabilities     |
| (A) We paid a creditor by cheque   | -Bank       | -Creditors      |
| (B) A debtor paid us £90 in cash   | +Cash       | +Debtors        |
| (C) J Hall lends us £500 by cheque | +Bank       | -Loan from Hall |
| (D) Bought goods on credit         | +Stock      | +Capital        |

**MC6** Which of the following are correct?

|       | Accounts    | To record   | Entry in the account |
|-------|-------------|-------------|----------------------|
| (i)   | Assets      | an increase | Debit                |
|       |             | a decrease  | Credit               |
| (ii)  | Capital     | an increase | Debit                |
|       |             | a decrease  | Credit               |
| (iii) | Liabilities | an increase | Credit               |
|       |             | a decrease  | Debit                |

- (A) (i) and (ii)  
 (B) (ii) and (iii)  
 (C) (i) and (iii)  
 (D) (i), (ii) and (iii)

**MC7** Which of the following are correct?

|  | Account to be debited | Account to be credited |
|--|-----------------------|------------------------|
| (i) Bought office furniture for cash         | Office furniture      | Cash                   |
| (ii) A debtor, P Sangster, pays us by cheque | Bank                  | P Sangster             |
| (iii) Introduced capital by cheque           | Capital               | Bank                   |
| (iv) Paid a creditor, B Lee, by cash         | B Lee                 | Cash                   |

- (A) (i), (ii) and (iii) only  
 (B) (ii), (iii) and (iv) only  
 (C) (i), (ii) and (iv) only  
 (D) (i) and (iv) only