

# 40 Short Questions and Answers-Introduction to Accounting [With PDF]

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## 40 Short



## Subject: Introduction to Accounting

Today we will learn “40 short questions and answers-Introduction to accounting.” It will definitely help you to do well in any kind of exam.

If you want to do well in a competitive exam, such as a school or college exam or **viva**, job written exam or viva, etc., then practice these 40 questions and their answers regularly.

For theory please read the article [\*\*“Accounting-Definition, Process, Objective, Origin, And Evolution”\*\*](#)

So let's get started

## Short Questions and Answers-Introduction to Accounting

**Question-01:** What is accounting?

**Answer:** Accounting is an information system that identifies, records, and reports to interested users the economic activities of an organization.

**Question-02:** What is called Accounting?

**Answer:** Accounting is called the language of business.

**Question-03:** What is the main objective of accounting?

**Answer:** The main objective of accounting is to keep accounting records and determine the financial results of the organization.

**Question-04:** What are the three functions of accounting?

**Answer:** The three functions of accounting are as follows:

- Identification,
- Classification, and
- Communication.

**Question-05:** What does accounting encourage people to do?

**Answer:** Accounting encourages people to exercise regularity, honesty, and accountability.

**Question-06:** What was the scope of accounting in the past?

**Answer:** In the past, the scope of accounting is limited only to business.

**Question-07:** What are the branches or types of accounting?

**Answer:** The major branches or types of accounting are as follows:

- Financial Accounting,
- Cost Accounting,
- Management Accounting,
- Tax Accounting,
- Forensic Accounting, etc.

**Question-08:** What does Accounting create?

**Answer:** Accounting creates values and accountability.

**Question-09:** What subjects are related to accounting?

**Answer:** Accounting is related to

- Economics
- Mathematics
- Computers
- Statistics
- Law
- Political Science
- Engineering
- Environmental Science, etc.

**Question-10:** What kind of science is accounting?

**Answer:** Accounting is a Social science.

**Question-11:** Is Accounting art or science?

**Answer:** Accounting is both art and science.

**Question-12:** When does the journey of accounting begin?

**Answer:** The journey of accounting began when people lived in caves.

**Question-13:** Who is the father of accounting?

**Answer:** Luca de Pacioli is called the father of accounting.

**Question-14:** Who was Luca de Pacioli?

**Answer:** Luca de Pacioli was an Italian priest, philosopher, and mathematician.

**Question-15:** What is the name of the famous book written by Luca de Pacioli?

**Answer:** Summa de Arithmetica, Geometria, Proportionet Proportionalite.

**Question-16:** Which part of the book by Luca de Pacioli discusses the double-entry accounting process?

**Answer:** Luca de Pacio discusses the double-entry accounting process in the third part of the book.

**Question-17:** Where is the origin of modern accounting?

**Answer:** In 1494, Venice, Italy.

**Question-18:** When does the journey of modern accounting begin?

**Answer:** The journey of modern accounting begin in the fifteenth century.

**Question-19:** At what time is the noticeable change in the accounting system?

**Answer:** In the modern era.

**Question-20:** What makes an organization trustworthy to a third party and plays the most important role in creating accountability?

**Answer:** Accounting.

**Question-21:** On what basis is the transaction validated and the existence of the property verified?

**Answer:** With the help of secured accounting books, financial statements, and credentials.

**Question-22:** What are the main advantages of accounting?

**Answer:** The main advantages of accounting are as follows:

- Know the financial status,
- Identify the improvement area,
- Prevent fraud,
- Take proper decisions, etc.

**Question-23:** What are the requirements of accounting for internal users?

**Answer:** Determine the profit or loss.

**Question-24:** What's needed to make a business successful?

**Answer:** Keeping track of business transactions properly.

**Question-25:** What is the basis for different types of decision-making in the management of the organization?

**Answer:** Accounting Information.

**Question-26:** When does the transaction start in cash and on credit?

**Answer:** The circulation of currency.

**Question-27:** What is the name of the most recent addition to accounting improvement?

**Answer:** Computed or Mechanical Accounting.

**Question-28:** How did people of primitive age keep an account of themselves?

**Answer:** Cut the stains on the walls of the cave, and knots on the rope.

**Question-29:** Which way has the accounting improved considerably?

**Answer:** Accounting has improved considerably by improving trade and commerce and by advancing science and technology.

**Question-30:** How's the history of accounting?

**Answer:** The history of accounting is as old as the history of human civilization.

**Question-31:** The basis for the collection of income tax, value-added tax, and excise duty is—

**Answer:** Maintain accurate accounting

**Question-32:** What is bookkeeping?

**Answer:** Bookkeeping is a part of accounting that only involves the recording of economic events.

**Question-33:** What is the main function of bookkeeping?

**Answer:** The main function of bookkeeping is to record transactions in the book of accounts.

**Question-34:** What is the part of accounting that only records economic events?

**Answer:** Bookkeeping only records the economic events.

**Question-35:** What is the purpose of bookkeeping in an organization?

**Answer:** Determine the financial status of an organization.

**Question-36:** What is Accounting Information?

**Answer:** The consolidated statement of all financial information of an organization is called Accounting Information.

**Question-37:** How many users of accounting information are there?

**Answer:** There are two types of accounting information users. One is an internal user and the other is an external user.

**Questions-38:** Who are the internal users of accounting information?

**Answer:** The internal users of accounting information are

- Owners
- Management authorities
- Internal auditors, and
- Accounting departments.

**Questions-39:** Who are the external users of accounting information?

**Answer:** The external users of accounting information are

- Government
- Lenders
- Investors
- Consumers
- Researchers
- Business Associations
- People
- Creditors, and
- External auditors.

**Question-40:** What are the sources of accounting information?

**Answer:** The sources of accounting information are as follows :

- Comprehensive Income Statement,
- Balance Sheet,
- Owner's Equity Statement,
- Cash Flow Statement, and
- Notes & Explanation.

I hope, you've understood that. Now, you can test your accounting skills with our basic [accounting quizzes](#).

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