

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, Proportioniet 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**.

You may also read:

Short Questions and Answers:

1. **Transaction**
2. **Account**
3. **Double Entry System**
4. **Accounting Cycle**
5. **Journal**
6. **Ledger**
7. **Cash Book**
8. **Bank Reconciliation Statement**
9. **Trial Balance**
10. **Financial Statements**
11. **Receivables**
12. **Accounting Principles**
13. **Plant Assets and Depreciation**