

1. _____ concept explains the fact that the owner is different from the business.

ans- Entity concept

2. Losses are reported not necessarily only when cash is received or paid can best be explained by _____?

ans- Accrual concept

3. _____ is used to commence accounting entries?

ans Book keeping

4. Given assets as #2,500,000 and liabilities as #760,000; determine the owners' capital.

ans- #1,740,000

5. _____ is another word for Equity in business.

ans-Ownership interest

6. _____ is an instrument used to inform a buyer of how much is to be paid for the goods you supplied?

ans- Invoice

7. The statement "anticipate no profit but provide for all possible losses" describes which of the following conventions?

ans-Prudence

8. The loss of value of an asset as a result of usage, age etc during its life span can be referred to as _____

ans-Depreciation

9. A business is not expected to cease operation in the foreseeable future is best defined by _____ ?

ans- Going concern concept

10. Accounting equation is based on _____?

ans-Double-entry concept