

12th Accountancy Viva Questions

To give the students an idea of what is expected from them while appearing for Accountancy Practical Exam., a list of questions has been prepared. These are the questions usually asked by the examiners. Make sure to revise the file you have prepared. You must prove that the work done in the file belongs actually to you.

Comprehensive Project

- What is the difference between Accounting and Accountancy?
- What is non-cash transaction?
- What is the importance of Balance Sheet Equation?
- Which concept is the basis of Accounting Equation?
- Why is Money Measurement Principle considered a reason for being a limitation of Accounting?
- What is the main drawback of Cash Basis of Accounting?
- Is it true that Dr. and Cr. have no specific meaning?
- Give an example of an account having Dr. balance at one time and Cr. balance at another.
- Can you suggest a transaction that can break the Accounting Equation?
- Give an example of transaction that increases Capital and decreases Liability.
- What is Journal?
- What is the difference between an Account and Ledger?
- What is the purpose of Ledger?
- Out of Journal and Ledger which is more important and why?
- Why do we prepare subsidiary journals?
- What is the difference between Cash Account and Cash Book?
- What is contra entry?
- What are the main purposes of Trial Balance?
- Is Trial Balance 100% proof of accuracy of accounting work?
- What are the different types of errors?
- Small question on Identification of different types of errors.
- What is the main difference between Trial Balance and Balance Sheet?

- What do you mean by Marshalling of Balance sheet?
- Question on small example from Order of Permanence and Order of Liquidity.
- Small Question to identify Capital Income/expenditure and Revenue /Income/expenditure.
- Small Question to identify direct/indirect expenses.
- Small Question to identify operating/non-operating expenses.
- What are the components of Final Accounts of a Company?
- What have you done in your comprehensive project?
- Then questions about what the student has actually written in the first project i.e. Comprehensive Project.....

There can be any question on place/treatment of any item in Statement of Profit and Loss/ Balance Sheet/Ratio Analysis/Cash Flow Statement.

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Financial Statements

- Under what major sub heading will the following items be placed in the B/S Of a company as per schedule-III, part-I of the companies act, 2013 like (a) Capital reserve (b) Bonds etc.
- What is the difference between prepaid expense and preliminary expenses.
- What is the difference between fictitious assets and intangible assets?
- Is Goodwill a fictitious asset?
- What is Contingent Liability?
- Give an example of Contingent Liability.
- What is the place of Contingent Liability in the balance Sheet of a Company?

Ratio Analysis

- Give an example of segments of a company.
- What is meant by Segment Assets?

- Question on meaning/formula/components/significance/standard on any ratio.
- What is the standard ratio for Current Ratio/Debt Equity Ratio?
- What is ROI? Why is it important?
- Which two profitability ratios make total of 100%.
- What is the difference between Working Capital Ratio and Working Capital Turnover ratio?
- What is G.P ratio?
- Give two reasons of poor G.P.ratio.
- How can you increase G.P.ratio?
- If Current Ratio is 2:1.What will be the effect of payment to creditors an amount of ₹1000?
- Which assets are included in Current Assets but not in Quick Assets?
- A very short question can be given to check the understanding of treatment of various items in the calculation of various ratios or Cash Flow Statement like Provision for Tax, Loose Tools etc.

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Cash Flow Statement

- What is Cash Equivalent?
- What is Cash Flow Statement?
- Give any two examples of Cash Equivalent.
- How would you record the effect of sale of marketable securities?
- What is the treatment of Bank Overdraft in CFS?
- Give any two items of inflow/outflow from operating/investing/financing activities.
- What do you mean by operating/investing/financing activity?
- Give an example of operating/investing/financing activity/
- Small question to indentify operating/investing/financing activity.
- For which company Rent Received is Investing Activity and for which company it is an Operating Activity?
- Small question on treatment of increase or decrease in a particular Current asset /Liabilities in cash flow statement.
- Is it possible that there is inflow in case of operating activity but outflow in case of investing/financing activity of the same company?

- What will be the treatment of increase in Patents in Cash Flow Statement?
 - State a transaction in which one part is investing and the remaining part is financing.
 - How would you treat Issue of Bonus Shares in Cash Flow Statement?
 - What is the treatment of rent received in cash flow statement?
 - How interest paid and interest received is treated in cash flow statement?
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