

FINAL ACCOUNTS OF PROPRIETOR INCLUDING MANUFACTURING ACCOUNT

Q State whether the following statements are True or False

- 1 Trading and Profit and Loss accounts are personal accounts.
- 2 Manufacturing account is a real account.
- 3 Depreciation on machinery is debited to trading account.
- 4 Patents and trademarks are tangible assets.
- 5 Advance received from suppliers are shown on the liabilities side of the balance sheet.
- 6 Royalties paid on production is an item of profit and loss account.
- 7 Work in progress implies partly finished or semi-finished goods.
- 8 Opening and Closing work-in-progress are recorded in the Manufacturing account.
- 9 Balance sheet is a nominal account.
- 10 Income tax paid by proprietor is debited to profit and loss account.
- 11 Loss by fire of finished goods is debited to profit and loss account.
- 12 Advance government taxes paid are liabilities of the proprietor.
- 13 Telephone expenses paid by proprietor of his residence is debited to profit and loss account.
- 14 Amount paid towards on acquisition of new business is liability of the business.
- 15 Hotel expenses for celebrating annual day of business is debited to profit and loss account.