

True or False.

1. Capital Expenditure is non-recurring in nature.	True
2. AS- 1- Disclosure of Accounting standards is mandatory in nature.	True
3. Outstanding expenses are shown on the liability side of the balance sheet.	True
4. Inventories should be valued at cost or net realizable value whichever is higher.	False
5. Balance Sheet shows the Financial position of the business.	True
6. Revenue from Sale of goods is recognized when the seller has received the payment for the goods from the buyer.	False
7. In Departmental Accounting each department is treated as a separate entity for the purpose of recording and reporting.	True
8. Fixed assets acquired on Hire Purchase basis have to be recorded at Hire Purchase Price.	False
9. The Hire Purchaser becomes the owner of the asset only after paying the final instalment.	True
10. Inventory includes assets purchased and held for resale	True
11. Selling price is not considered while preparing Stores Ledger.	True
12. Sale of scrap is debited to Manufacturing Account.	False
13. For valuation of stock under FIFO method, the Cost of the latest items is compared with their Net Realizable value.	True
14. As per AS-9, Revenue from Interest is recognized only when it is actually received.	False
15. Profit and Loss Account shows the financial position of a concern.	False
16. Expenditure that results in acquisition of a permanent asset is a Capital Expenditure.	True
17. Loss by fire in a Department is charged to General P & L A/c in Departmental Accounting.	True
18. Under Hire Purchase System, Depreciation on Asset is charged by the Vendor until the last installment is paid.	False
19. Down Payment includes interest.	False
20. Freight inward is allocated on the basis of purchases of the department.	True
21. Inventory is a Current Asset.	True
22. If the buyer fails to pay the installment, the seller has a right to repossess the asset sold under Hire Purchase System.	True
23. Under FIFO Method, the stock includes goods held for resale	True
24. Capital Expenses are long duration expenses and hence fixed asset purchased is a capital expense	True