

National Institute of Open Schooling
Senior Secondary Course – Accountancy
Lesson 3: Accounting Conventions and Standards
Worksheet- 3

1. Write a short note on Generally Accepted Accounting Principles. How is it relevant to present day Accounting practices?
2. Briefly explain the concept of Materiality. Give examples.
3. Identify the accounting standard in the following cases:
 - i. Provision for contingent liabilities and contingent assets(AS-29)
 - ii. Interim financial reporting(AS-25)
 - iii. Consolidated financial statements(AS-21)
 - iv. Depreciation accounting(AS-6)
4. Define Accounting standards? Explain its purpose.
5. “Anticipate no profit, but provide for all possible losses”. Explain the statement while elaborating the convention of Conservatism principle.
6. Explain the accounting convention of full disclosure with example.
7. Accounting policies and practices followed by the enterprise should be uniform and consistent over a period of time. Explain the given statement with a suitable example.
8. What do you understand by accounting conventions?
9. Write a short note on dimensional consistency in the context of Consistency principle.
10. Give your decision in the following situations:
 - i. A business has unsold stock at the end of year. The cost price is Rs 3, 00,000 and the market price is Rs 3, 50,000. At which price the unsold stock be recorded?
 - ii. A businessman anticipates that it may not be possible to collect Rs1, 50,000 from one of his debtors. Will he record this transaction in the books of accounts and at what value?