- 14. Cash receipts which are recurring in a nature are called as revenue receipts
- 15.Return outward are deducted from purchase
- 16. Expenses which are paid before due date are called as a prepaid expenses
- 17. Assets which are held in the business for a long period are called Fixed Assets
- 18. Trading account is prepared on the basis of is <u>direct</u> expenses
- 19. When a commission is allowed to any partner it is expenditure
- 20. When a goods are distributed as a free samples it is treated as a advertisement of the business

## Q.3 Do you agree or disagree with the following statements

1. When partnership deed its silent partners share profits of the firm according to Onlyal ratio.

Ans. Disagree

2. Current account always shows debit balance Ans. Disagree

3. It is compulsory to bayes partnership agreement in a writing

4. Partnership firm is a trading concern

Ans.Agree

5.An interest on a capital is an expenditure for the partnership firm Ans. Agree

6. Partnership is an association of two or more persons Ans. Agree

7. Partners are entitled to get salary or commission

Ans. Disagree

8. The balance of a capital account remains constant under fixed capital method Ans. Agree

9. The Indian Partnership act came into existence in the year 1945 Ans. Disagree