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Self-Made Assignment - Manual Accounting

Advantages And Limitations Of Accounting

Which of the following is a primary advantage of accounting?

- It hides business transactions.
- It provides financial transparency.
- It eliminates business risks.
- It guarantees profit

Accounting helps businesses in _____.

- Tax evasion
- Budgeting and forecasting
- Increasing product prices
- Reducing competition

What is one of the benefits of accounting in decision-making?

- It minimizes external regulations.
- It provides accurate financial data for decisions.
- It ensures legal compliance.
- It reduces customer complaints.

Which of the following is an advantage of financial accounting?

- Provides non-financial insights.
- Tracks cash transactions only.
- Provides information for stakeholders.
- Focuses only on short-term performance.

One advantage of accounting is that it helps in the preparation of _____.

- Economic policies
- Future demand for products
- Financial statements
- International marketing strategies

How does accounting aid in legal compliance?

- By ignoring local regulations.
- By ensuring transactions are documented and reported properly.
- By allowing businesses to bypass financial laws.
- By reducing taxable income.



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Advantages And Limitations Of Accounting

Which of the following statements is true about the advantages of accounting?

- It guarantees business success.
- It records financial transactions and provides insights into business health.
- It allows manipulation of financial data for competitive advantage.
- It avoids the need for audits.

How does accounting help in cost control?

- By increasing revenue.
- By providing detailed information on expenses.
- By reducing fixed costs.
- By controlling product prices.

One advantage of management accounting is that it focuses on _____.

- Historical data only
- Profit-making strategies
- Future business planning and decision-making
- Reducing taxes

Which of the following is an advantage of accounting systems?

- Eliminates fraud risk.
- Improves operational efficiency.
- Guarantees higher profit margins.
- Controls market competition.

One limitation of accounting is that it focuses on _____.

- Qualitative aspects of the business
- Quantitative financial information
- Future market trends
- Non-financial data analysis

Which of the following is a limitation of historical cost accounting?

- Reflects current market value.
- Ignores inflation and market conditions.
- Offers accurate future predictions.
- Reflects changes in demand and supply.

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Advantages And Limitations Of Accounting

Accounting records may not fully reflect a company's performance because they focus on _____.

- Market conditions
- Qualitative factors
- Financial transactions only
- Future prospects

Which of the following is NOT a limitation of accounting?

- It involves estimations and assumptions.
- It provides exact figures for future events.
- It fails to account for non-financial aspects.
- It is influenced by managerial decisions.

A major limitation of accounting is its dependence on _____.

- Market conditions
- Accounting standards
- Government policies
- Historical data

Which of the following factors is not included in financial accounting reports?

- Employee satisfaction
- Sales revenue
- Operating expenses
- Net income

Accounting might not reflect a company's true value because it doesn't account for _____.

- Liabilities
- Fixed assets
- Brand reputation and goodwill
- Income and expenses

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Advantages And Limitations Of Accounting

Which of the following is a limitation of financial statements?

- They are audited by third parties.
- They do not consider inflation.
- They provide exact future projections.
- They emphasize non-financial data.

A limitation of accounting in assessing company performance is that it _____.

- Overestimates future growth
- Focuses primarily on past data
- Considers industry benchmarks
- Provides insight into non-financial data

Accounting systems may not be reliable because of _____.

- Legal regulations
- The use of professional standards
- Subjective judgment and estimates
- The involvement of financial analysts

