

1. Commission received in advance is of the nature of
 - a. AReal account
 - b. Personal account**
 - c. Nominal account
 - d. Intangible account

2. A money lender lent some amount in simple interest of @ 8% p.a. After 18 months, he got Rs. 14000 in full payment of interest and principal amount. Find out the sum lent by the money lender.
 - a. Rs. 11500
 - b. Rs. 12000
 - c. Rs. 12500**
 - d. Rs. 13000

3. What annual rate of simple interest was paid if Rs. 10000 earned Rs. 1100 as interest in 2 Years and 9 months?
 - a. 2%
 - b. 3%
 - c. 4%**
 - d. 5%

4. Sequence of payments made at regular periods over a given time interval is called
 - a. Principal
 - b. Interest
 - c. Annuity**
 - d. None of the above

5. Due to a fall in the rate of interest from 11% to 10.5%, a money-lender's yearly income from interest falls by Rs. 240. What is his principal amount?
 - a. Rs. 42,800
 - b. Rs. 41,600
 - c. Rs. 44,600
 - d. Rs. 48,000**

6. Under written down value method of Depn., the W D V of the asset is always
 - a. equal to zero
 - b. < zero
 - c. > zero**
 - d. None of these

7. In how many years will a sum of money double itself at 8% per annum compound Interest?
 - a. 8 Years
 - b. 8 Years 6 months.

- c. **9 Years**
 - d. 9 Years 6 months
8. Which of the following is not true
- a. Depreciation is an expense charged to the P & L a/c.
 - b. **Depreciation is not a part of the operating costs.**
 - c. Assets that are depreciated are tangible assets.
 - d. Depreciation is like an insurance expense.
9. Which one is not among the three pillars of BASEL II ?
- a. Minimum Capital Requirement
 - b. Supervisory Review Process
 - c. **Risk Based Supervision**
 - d. Market Discipline
10. At a certain rate of simple interest, a sum doubles itself in 5 years. It will be four times of Itself in
- a. 10 Years
 - b. **15 Years**
 - c. 20 Years
 - d. 25 Years
11. According to IRR, undertake those investments that has highest IRR, provided the IRR is the cost of capital
- a. **Greater than**
 - b. Equal to
 - c. Less Than
 - d. None of these
12. What is the principal amount which earns Rs. 1320 as compound interest for the second year @ 10% p.a.?
- a. Rs. 10,000
 - b. **Rs. 12,000**
 - c. Rs. 14,000
 - d. Rs. 16,000
13. A sum of money doubles itself in 16 years at simple interest with yearly rate of...
- a. 5.25 %
 - b. **6.25 %**
 - c. 7.25 %
 - d. 8.25 %

14. A sum of Rs. 25,400 is lent out into two parts, one at 12% p.a. and the other at 12.5% p.a. If the total annual income from interest is Rs. 3,116, the money lent at 12% is

- a. Rs. 10,800
- b. Rs. 11,800**
- c. Rs. 12,400
- d. Rs. 13,400

15. Private Sector Companies can issue bonds.

- a. Secured
- b. Unsecured
- c. Any one of the above**
- d. None of these

16. According to NPV, undertake those investments for which the NPV is

- a. Positive**
- b. Negative
- c. Either positive or Negative
- d. None of these

17. Which is not one of the approaches proposed for measurement of operational risks ?

- a. Basic Indicator Approach
- b. Standardised Approach
- c. Advanced Measurement
- d. Internal Rating Based Approach**

18. A sum of money at simple interest amounts to Rs. 2,800 in 2 years and to Rs. 3,250 in 5 years. Find the sum and the rate of interest.

- a. Rs. 2,500; 5%
- b. Rs. 2,500; 6%**
- c. Rs. 3,000; 5%
- d. Rs. 3,000; 6%

19. The method in which depreciation rate is constant is

- a. straight line method
- b. Declining Balance Method**
- c. Double Declining Balance Method
- d. Accelerated Depreciation

20. In SPOT, the exchange of currencies take place on

- a. Same Day
- b. Next Day
- c. Second Working Day**
- d. Third Working Day

21. Which is not Tax deductible?

- a. Interest Payments on Debts
- b. Dividend Payments**
- c. Both
- d. None of these

22. Operation of borrowing in one centre and lending in another at higher rate, is called as

- a. Spot
- b. Forward
- c. Arbitrage**
- d. None of these

23. A bond carries a specific rate of interest is called as...

- a. Yield-to-Maturity
- b. Face Value
- c. Coupon Rate**
- d. Redemption Value

24. Debt which is due to us is called...

- a. Active**
- b. Passive
- c. Any of the above
- d. None of the above

25. The price at which two unrelated and non-desperate parties would agree to a transaction is called

- a. Transfer Pricing
- b. Arm's Length Price**
- c. Deal Price
- d. None of these

26. The asset lose an equal amount of value each year in case of

- a. straight line method**
- b. Declining Balance Method
- c. Double Declining Balance Method
- d. Accelerated Depreciation

27. When a currency is at premium in future or for a future value date, it is

- a. Costlier**
- b. Cheaper
- c. Equal
- d. None of these

28. The main objective of providing depreciation is

- a. To allocate true profit.
- b. To show the true financial position in the balance sheet.
- c. To reduce tax burden.
- d. To provide funds for replacement of fixed assets.

29. When a currency is at discount in future or for a future value date, it is

- a. Costlier
- b. Cheaper
- c. Equal
- d. None of these

30. The exchange of currencies takes place on the date of the deal in

- a. SPOT
- b. TOM
- c. Cash
- d. Forward

31. In TOM, the exchange of currencies take place on

- a. Same Day
- b. Next Day
- c. Second Working Day
- d. Third Working Day

32. If the rates in Mumbai are US \$1=Rs.42.850. In London market are US \$1=Euros 0.7580 Therefore for one Euro we will get

- a. Rs.56.45
- b. Rs.56.53
- c. Rs.56.38
- d. Rs.56.50

33. Depreciation is a process of:

- a. Valuation.
- b. Allocation.
- c. Both valuation and allocation.
- d. Non of these.

34. Which of the following depreciation methods is NOT an accelerated method?

- a. Double-declining balance
- b. Straight-line
- c. Sum-of-the-years' digits
- d. None of these

35. The value which bond holder gets on maturity is called as...

- a. Market Value
- b. Face Value
- c. Intrinsic Value
- d. Redemption Value**

36. A capital equipment costing Rs. 200,000 today has Rs. 50,000 salvage value at the end of 5 years. If the straight line depreciation method is used, what is the book value of the equipment at the end of 2 years?

- a. Rs. 200,000
- b. Rs. 170,000
- a. Rs. 140,000**
- c. Rs. 50,000

37. The concept of deriving the rate of currency A in terms of currency C through currency B is called as

- a. Direct Quote
- b. Indirect Quote
- c. Chain Rule**
- d. Arbitrage

38. Rate of return earned by an investor who purchases a bond and holds it till maturity is called as

- a. Intrinsic Value
- b. Coupon Rate
- c. YTM**
- d. Redemption Value

39. In exchange of currencies deal, "cash" is also called as

- a. TOM
- b. Ready**
- c. Spot
- d. Forward

40. What is the Present Value of Rs. 115,000 to be received after 1 year at 10%?

- a. 121,000
- b. 100,500
- c. 110,000
- d. 104,545**

41. At 10% p.a. 2 year discount factor is

- a. 0.826**
- b. 1.00
- c. 0.909

d. 0.814

42. Minimum capital requirement is expressed in terms of...

- a. Credit Risk
- b. Specific Risk
- c. General Market Risk
- d. Both b & c**

43. If 1 year discount is 0.8333, what is the discount rate?

- a. 10%
- b. 20%**
- c. 30%
- d. 15%

44. The relationship between the bond prices and interest rates is one of the Following

- a. direct & linear
- b. inverse & linear**
- c. direct and curvilinear
- d. no relationship

45. Annuity is defined as

- a. Equal cash flows at equal intervals forever
- b. Equal cash flows at equal intervals for a specified period**
- c. Unequal cash flows at equal intervals for specified period
- d. Unequal cash flows at equal intervals forever

46. Present Value is defined as

- a. Future cash flows discounted to the present at an appropriate discount rate**
- b. Inverse of future cash flows
- c. Present cash flows compounded into the future
- d. Discounting of compounded future cash flows

47. The yield to maturity is a rate of return which

- a. gives the current yield
- b. Is the discount rate at which the present value, of the coupons and the final payment at face value, equals the current price
- c. gives the return at maturity on the bond for the original holder
- d. b or c**

48. A bond holder of a company has one of the following relationship with It. Identify

- a. shareholder
- b. depositor
- c. creditor**
- d. employee

49. Cost of Car is Rs. 300,000, Depn. Rate is 10% on WDV. What is the book value of car after 3 years ?
- a. 210,000
 - b. 220,00
 - c. 214,300
 - d. **218,700**
50. Which of the following investment rules does not use the time value of the money concept?
- a. **The payback period**
 - b. Internal rate of return
 - c. Net present value
 - d. All of the above use the time value concept
51. What does the rate of return equal to if interest rates do not change during the pendency of the bond ?
- a. **yield to maturity**
 - b. coupon rate
 - c. compounded rate
 - d. current yield
52. Accounting Standards are mandatory for the enterprises, whose turnover for the accounting period exceeds
- a. 50 Lakhs
 - b. 5 Crores
 - c. **50 Crores**
 - d. 500 Crores
53. While recording transactions, all possible losses must be taken into consideration but all anticipated profit should be ignored. This is called as
- a. Convention of Conservatism
 - b. Principle of Prudence
 - c. **Both a & b**
 - d. Neither a nor b
54. Transaction are first recorded in the and then they are posted to the
- a. Ledger, Journal
 - b. **Journal, Ledger**
 - c. Any one of the above
 - d. None of these
55. Italian Method of accounting is also known as
- a. Cose Accounting
 - b. **Double entry book-keeping**

- c. Financial Accounting
- d. None of these

56. Common non-traditional methods available for determining arm's length price is/are

- a. Profit Split Method
- b. Transactional Net Margin Method
- c. Both a and b**
- d. None of these

57. Accounting assumes that the business will continue to operate for a long time in future. This concept is called as

- a. Going concern concept
- b. Entity going concept
- c. Both a & b**
- d. Neither a nor b

58. GAAP stands for

- a. Governmental Accepted Accounting Principles
- b. Generally Accepted Accounting Principles**
- c. Governmental Adopted Accounting Principles
- d. Generally Adopted Accounting Principles

59. The set of rules for recording of events in accounts are called as

- a. Accounting Rules
- b. Accounting Standards**
- c. Accounting laws
- d. None of these

60. Accounting cycle includes

- a. Recording
- b. Classifying
- c. Summarising
- d. All the above**

61. In cash book, all receipts are recorded on the side and all payments are recorded on the side

- a. debit, credit**
- b. credit, debit
- c. debit, debit
- d. credit, credit

62. is time saving and economical

- a. Single Entry System**
- b. Double Entry System

- c. Both a & b
- d. Neither a nor b

63. Accounting standard AS 6 deals with

- a. Cash Flow statements
- b. Valuation of Inventories
- c. Depreciation Accounting**
- d. Accounting for investments

64. Commission received is a

- a. Personal Account
- b. Real Account
- c. Nominal Account**
- d. None of these

65. Both Real Accounts and Nominal Accounts are

- a. Personal Accounts**
- b. Impersonal Accounts**
- c. Any one of the above
- d. None of these

66. Bills receivable is a

- a. Personal Account
- b. Real Account**
- c. Nominal Account
- d. None of these

67. Accounts generally prepared for months

- a. 6
- b. 9
- c. 12**
- d. 18

68. Under which system, in every transaction, an account is debited and some other account is credited.

- a. Single Entry System
- b. Double Entry System**
- c. Both a & b
- d. Neither a nor b

69. Accounting standard AS 3 deals with

- a. Cash Flow statements**
- b. Valuation of Inventories
- c. Depreciation Accounting

- d. Accounting for investments

70. In Double entry system of Book Keeping every business transaction affects

- a. **Two accounts**
- b. Two sides of the same account
- c. The same account on two different dates
- d. one personal and one real account

71. A person who owes money to the firm is called

- a. Creditor
- b. **Debtor**
- c. Shareholders
- d. Owner

72. Capital account is aa/c.

- a. Real.
- b. Nominal.
- c. **personal.**
- d. Both B and D

73. In double entry, the entry is balanced with a corresponding entry, which is called

- a. reverse entry
- b. adjusting entry
- c. **contra entry**
- d. double entry

74. For nominal accounts, the fundamental rule of Debit and credit is,debit expenses and losses and Credit.....

- a. the giver
- b. what goes out
- c. **incomes and gains**
- d. none

75. Where a withdrawal of cash from business by the proprietor be credited?

- a. Proprietor's A/c
- b. **Cash A/c**
- c. Capital A/c
- d. Drawings

76. Where does the Net Profit appear in the balance sheet?

- a. liabilities side
- b. assets side
- c. either a or b
- d. none

77. What is Nominal account?

- a. an account of each person or firm with whom the trader deals
- b. an account of each head of expense or source of income**
- c. an account of each property or possession dealt in by the trader in his business
- d. none

78. Nama, the old method of accounting used in India, is also called as

- a. Mahajani
- b. Marwari
- c. Deshi
- d. All of these**

79. "Debit all expenses and losses and credit all incomes and gains", in

- a. Personal Account
- b. Real Account
- c. Nominal Account.**
- d. None of these

80. Salaries outstanding account belongs to the category of

- a. Real account
- b. Personal account**
- c. Nominal account
- d. Intangible account

81. Capital at the start of business-Rs.6,00,000.

At the end of the year, worth of the Assets-Rs.10,00,000 and liabilities-Rs.2,00,000.

Then Capital at the end of the year.....

- a. Rs. 8,00,000**
- b. Rs. 10,00,000
- c. Rs. 12,00,000
- d. Rs. 6,00,000

82. Following is known as the book of prime entry

- a. Journal
- b. Cash book
- c. Subsidiary book
- d. all**

83. Prepaid expenses are shown as

- a. Debit**
- b. Credit
- c. Either Debit or Credit
- d. Intangibles

84. Value of the asset is increased or the business has acquired more of that asset, then there is a

- a. Credit in Real Account
- b. Debit in Real Account**
- c. Credit in Nominal Account
- d. Debit in Nominal Account

85. Rebate on bills discounted account is of the nature of

- a. Real account
- b. Personal account
- c. Nominal account**
- d. Intangible account

86. To determine how long an investment will be double, you have to divide number by annual rate of interest.

- a. 62
- b. 64
- c. 72**
- d. 74

87. Rent prepaid account is of the nature of

- a. Real account
- b. Personal account**
- c. Nominal account
- d. Intangible account

88. Accounting standard AS 13 deals with

- a. Cash Flow statements
- b. Valuation of Inventories
- c. Depreciation Accounting
- d. Accounting for investments**

89. The columns available in a three columnar cash book are...

- a. Cash, Discount, Bank**
- b. Cash, Bank, Discount Paid
- c. Cash, Discount Received, Bank
- d. None of these

90. Intangible Assets are dealt in Accounting Standard

- a. AS 9
- b. AS 19
- c. AS 26**
- d. AS 28

91. Which is not a type of petty cash book are

- a. Simple petty cash book
- b. Columnar petty cash book
- c. Two columnar petty cash book**
- d. None of these

92. A journal generally has columns

- a. 3
- b. 4
- c. 5**
- d. 6

93. Patents right account is of the nature of

- a. Real account**
- b. Personal account
- c. Nominal account
- d. Intangible account

94. Balance in the petty cash book is

- a. Expense
- b. Profit
- c. Asset**
- d. Liability

95. Revenue Recognition is dealt in Accounting Standard

- a. AS 9**
- b. AS 19
- c. AS 26
- d. AS 28

96. Accounting Standards Board is constituted by

- a. National Advisory Committee
- b. Law
- c. Institute of Chartered Accountants of India**
- d. Professional Accounting Bodies

97. As per accounting standards which of the following is not a preferred method

- a. LIFO**
- b. FIFO
- c. WACM
- d. All of them

98. Freight expenses for moving new machinery to factory is

- a. Revenue expenses
- b. Deferred revenue expenditure
- c. Capital expenditure**
- d. None of the above

99. Invoice journal is used for recording....purchases

- a. Cash
- b. Credit**
- c. Discount on
- d. All

100. Which of the following will not affect Trial Balance

- a. Goods sold on credit not recorded in books.**
- b. Overstating of sales register.
- c. Rent account credited instead of debit.
- d. Salary debited to the extent $\frac{1}{2}$ the amount.

101. In LIFO method of inventory valuation

- a. Issue of stocks to production is at latest price**
- b. Closing stock is at latest price
- c. Both a & b
- d. Neither a nor b

102. For an expense to be classified as revenue or capital depends on

- a. Kind of expense
- b. Duration of the benefit of the expenditure
- c. Effect on revenue earning capacity
- d. All of the above**

103. Cost of goods sold is

- a. Opening stock + purchases + closing stock
- b. Opening stock + purchases – closing stock**
- c. Opening stock – purchases + closing stock
- d. None of above

104. The amount brought by the proprietor of the business is credited to

- a. Proprietor's a/c
- b. Cash a/c
- c. Capital a/c**
- d. Drawings a/c

105. Which of the following is not a deferred revenue expenditure

- a. Preliminary expenses for setting up a company.

- b. **Amount raised through Rights issue.**
 - c. Huge sales promotion expenditure in launch of new product
 - d. Cost of preparing project report
- 106. **Cost of replacement of defective parts of the machinery is**
 - a. Capital expenditure
 - b. **Revenue expenditure**
 - c. Deferred revenue expenditure
 - d. None of these
- 107. **Goods lost in transit is**
 - a. **Nominal loss**
 - b. Abnormal loss
 - c. Casual loss
 - d. Conditional loss
- 108. **Noting charges are**
 - a. Paid to bank for dishonour
 - b. Paid to drawer for dishonour
 - c. **Paid to notary public for recording dishonour**
 - d. None of the above.
- 109. **Due to heavy flooding a truck carrying consignment goods sinks. This loss is called**
 - a. contingent loss
 - b. Nominal loss
 - c. **Abnormal loss**
 - d. Casual loss
- 110. **A clerical error committed while posting, totalling or balancing of an account is**
 - a. **Error of commission**
 - b. Error of omission
 - c. Error of principle
 - d. Compensating error
- 111. **Sale of Rs.20000 to Suresh is posted to his credit, then rectification is**
 - a. Credit Suresh to the extent of Rs.40,000
 - b. Credit Suresh to the extent of Rs.20,000
 - c. **Debit Suresh to the extent of Rs.40,000**
 - d. Debit Suresh to the extent of Rs.20000

112. Match the following pairs:

Column 'A' - Column 'B'

- | | |
|---------------------------|--|
| (1) Error of omission | (a) Not disclosed by trial balance |
| (2) Suspense ale | (b) Disclosed by trial balance |
| (3) Error of principle | (c) Rectified by passing journal entries |
| (4) Two sided errors | (d) Debit or credit balance |
| (5) Posting on wrong side | (e) Accounting rules not followed |

(1)-(a), (2)-(d), (3)-(e), (4)-(c), (5)-(b)

113. Match the following pairs:

Column 'A' - Column 'B'

- | | |
|-------------------------|--|
| (1) Trial balance | (a) Difference in trial balance |
| (2) Net trial balance | (b) Always shows debit balance |
| (3) Gross trial balance | (c) Debit or Credit Balances |
| (4) Suspense a/c | (d) Debit and credit totals |
| (5) Real a/c | (e) Statement of balances of ledger accounts |

(1)-(c), (2)-(e), (3)-(d), (4)-(a), (5)-(b)

114. Legal expenses incurred in connection with raising debenture loans is

- Capital Expenditure
- Revenue Expenditure
- Deferred Revenue Expenditure**
- None

115. The overhauling expenses of machines is...

- Capital expenditure
- Revenue expenditure**
- Deferred revenue expenditure
- None of the above

116. Accounts in personal names indicative of trusteeship capacity of a/c holders

- Can be opened after obtaining trust deed.
- Can be opened after permission of zo.
- Can be opened after permission of ho.
- Should not be opened.**

117. Labour welfare expenses is ...

- Capital expenditure
- Revenue expenditure**
- Deferred revenue expenditure

- d. None of the above
118. A sale of Rs. 20,000 was omitted from recording in the Sales Book. The existing total of debit side of the trial balance is Rs. 15,00,000. Presently, what will be the total of credit side?
- a. Rs 15,20,000
 - b. Rs.14,80,000**
 - c. Rs.15,40,000
 - d. Rs.14,60,000
119. The closing debit balance falls on the
- a. Debit Side
 - b. Credit Side**
 - c. Either Debit or Credit Side
 - d. None of these
120. Expenditure incurred on issue of equity shares is
- a. Revenue expenditure
 - b. Capital expenditure**
 - c. Deferred capital expenditure
 - d. None
121. The removal of stock from old works to new site is...
- a. Capital expenditure
 - b. Revenue expenditure**
 - c. Deferred revenue expenditure
 - d. None of the above
122. Goods worth Rs. 5,000 returned by Mr. Thomas were taken into stock, but no entry was passed. This is an error of ...
- a. Compensation
 - b. Commission
 - c. Omission**
 - d. Principle
123. How much is the Capital or/and Revenue Expenditure in "Fixtures of the book value of Rs. 20000 were sold off at Rs. 14000 and new fixtures of the value of Rs. 10000 were acquired.
- a. Capital expenditure - Rs.16000
 - b. Revenue expenditure - Rs.16000
 - c. Capital expenditure - Rs.10000 and Revenue expenditure - Rs.6000**
 - d. Capital expenditure - Rs.6000 and Revenue expenditure - Rs.10000

124. X co .was maintaining account with KRB Bank Ltd. On 31st December, 2013, Bank column of cash book of company showed a debit balance of Rs. 26000. Cheques deposited into the bank but not credited before 31st December,2006 amounted to Rs.4000. Bank charges of Rs. 500 were debited by the bank but no entry was made by the accountant of the company. From the above particulars, find out the balance as per KRB Bank's books.
- Rs.30500
 - Rs.25500
 - Rs.21500**
 - Rs.22500
125. An expenditure charged to P&L a/c over a period of 5 to 6 years is an example of ...
- Revenue expenditure
 - Capital expenditure
 - Deferred revenue expenditure**
 - All of the above
126. Which of the following is true for leasing
- Lessor only can claim depreciation.**
 - Lessee only can claim depreciation.
 - Both lessor and lessee can claim depreciation.
 - Neither lessor and lessee can claim depreciation.
127. Which of the following is true for Hire-Purchase
- Seller only can claim depreciation.
 - Hire-Purchaser only can claim depreciation.**
 - Both Seller and Hire-Purchaser can claim depreciation.
 - Neither Seller and Hire-Purchaser can claim depreciation.
128. An expenditure is a revenue expenditure because ...
- The amount is very small
 - The amount is paid in instalments
 - It is intended to benefit in the current period**
 - It is intended to benefit in the future period
129. Which one is also called as "Liquidity Ratios"?
- Profitability Ratios
 - Turnover Ratios
 - Short-term Solvency Ratios**
 - Long-term Solvency Ratios
130. Purchase of machinery is ...
- Capital expenditure**

- b. Revenue expenditure
 - c. Deferred revenue expenditure
 - d. None of the above
- 131. In FIFO method of inventory valuation**
- a. Closing stock is at latest price
 - b. Issue of stocks to production is at earliest price
 - c. **Both a & b**
 - d. Neither a nor b
- 132. Which one is not the uses of Accounting Ratios?**
- a. Facilitate Inter-Firm comparison
 - b. Facilitate Intra-Firm comparison
 - c. **Help in Planning**
 - d. None of these
- 133. Ideal ratio for "Fixed Asset Ratio" is**
- a. 0.5
 - b. 1
 - c. 2
 - d. **0.67**
- 134. Which is not a Solvency Ratio?**
- a. Debt-Equity Ratio
 - b. Current Ratio
 - c. **Debtor's Turnover Ratio**
 - d. Liquidity Ratio
- 135. Acid test ratio is also called as**
- a. Quick Ratio
 - b. Liquidity Ratio
 - c. **Both a and b**
 - d. Neither a not b
- 136. Retiring a bill under rebate means...**
- a. dishonouring the bill
 - b. making payment of the bill after the due date
 - c. **making payment of the bill before the due date**
 - d. making payment of the bill on the due date
- 137. Ideal ratio for "Acid test ratio" is**
- a. 0.5
 - b. **1**
 - c. 2
 - d. 0.67

138. **Consignment Account is of the nature of a...**
- a. Real Account
 - b. Personal Account
 - c. Representative Personal Account
 - d. **Nominal Account**
139. **Consignee's Account is a...**
- a. Real Account
 - b. **Personal Account**
 - c. Representative Personal Account
 - d. Nominal Account
140. **"Return on Investment" is also called as**
- a. **Overall Profitability Ratio**
 - b. Earnings per Share
 - c. Gross Profit Ratio
 - d. Net Profit Ratio
141. **For payment of noting charges to the notary public...**
- a. Noting charges a/c is debited
 - b. Bank a/c is debited
 - c. Noting charges a/c is credited
 - d. **Cash a/c is credited**
142. **Undercasting of the credit side of Cash Book has the same effect as overcasting of the**
- a. **Debit side of the pass book.**
 - b. Credit side of the pass book.
 - c. There is no relevance between the two
 - d. None of the above
143. **The Pass book of an account holder is the copy of**
- a. the bank columns in the cash book of the account holder
 - b. **the relevant account in the books of a bank**
 - c. the cash column in the cash book of a customer
 - d. none
144. **Assets kept for short term for converting into cash or for resale are called as...**
- a. Operating Assets
 - b. Fixed Assets
 - c. **Current Assets**
 - d. Liquid assets

145. Entries for issuance of cheques are made immediately by the customer to the credit of cash book, but the bank debits the customer account
- immediately
 - on presentation over counter
 - on presentation in clearing
 - on presentation on counter or in clearing**
146. Loss of goods due to fire for Rs.50000 is
- Capital expenditure
 - Revenue expenditure**
 - Deferred revenue expenditure
 - None of these
147. The payment of Promissory Note is made by its...
- Maker**
 - Payee
 - Bank
 - None of above
148. The relationship between the Consignor and Consignee is that of...
- Principal and agent**
 - Seller and buyer
 - Bailor and bailee
 - Creditor and debtor
149. When an entry is passed on credit side of passbook or on debit side of Cash book, the bank balance
- increase**
 - decrease
 - has no effect
 - can decrease or increase
150. Debit balance in the cash books means
- Overdraft
 - Favourable balance**
 - Balancing error
 - None of the above
151. Subscription outstanding of a club during the previous year was Rs. 50,000 and received During the current year Rs. 3,50,000. Subscription shown in the credit side of income & Expenditure a/c will be
- Rs. 50,000
 - Rs. 3,00,000**
 - Rs. 3,50,000

- d. Rs. 4,00,000
152. **Loss of goods due to fire, Rs. 25,000 - Revenue expenditure as**
- a. It is recurring
 - b. Amount involved is small
 - c. **It is revenue loss arising out of business operation**
 - d. None of the above
153. **Wages paid for installation of machinery Rs. 500 - Capital expenditure as**
- a. It is non-recurring
 - b. **It is necessary to put the asset in working condition**
 - c. It is incidental of acquiring a new asset
 - d. None of the above
154. **Payment for purchase of car, Rs. 4,00,000 - Capital expenditure as**
- a. It is non-recurring
 - b. **Benefit is of long duration**
 - c. Increases earning capital
 - d. None of the above
155. **In retail business, widely followed method of inventory valuation is**
- a. FIFO
 - b. weighted average
 - c. **adjusted selling price**
 - d. None of the above
156. **The benefit of an expenditure incurred is of long duration and its purpose is to increase the earning capacity of the business, it is**
- a. Revenue expenditure
 - b. **Capital expenditure**
 - c. Deferred capital expenditure
 - d. None of the above
157. **The rate of discount on share cannot exceed...**
- a. 5%
 - b. 8%
 - c. **10%**
 - d. 12%
158. **The test of 'objectivity' and 'verifiability' is satisfied by valuing stock at**
- a. **historical cost**
 - b. current replacement price
 - c. net realisable value
 - d. None of the above

159. The cost formulae recommended by Accounting Standard 2 for valuation of inventories are
- FIFO or weighted average**
 - Standard cost
 - LIFO or latest purchase price
 - None of the above
160. Professional fees paid in connection with acquisition of lease hold premises is a
- Capital expenditure**
 - Deferred revenue expenditure
 - Revenue expenditure
 - Current expenditure
161. Historical cost concepts are reduced to net realisable value because of the accounting principle of...
- consistency
 - conservatism**
 - realisation
 - None of the above
162. The ascertainment of value of stock from accounting record is known as...
- continuous stock taking
 - periodic inventory
 - perpetual inventory**
 - None of the above
163. The difference between subscribed capital and called-up capital is called.
- Paid up capital
 - Uncalled capital.**
 - Calls in advance
 - Calls in arrear
164. A company incorporated out side India but has a place of business in india, is termed as
- Statutory Company
 - Foreign Company**
 - Holding Company
 - Subsidiary Company
165. Rights shares mean the shares which are...
- Issued to directors of the company
 - Issued for a consideration other than cash
 - Offered to the exiting shareholders**
 - Issued to promoters of the company for their services.

166. is called the Charter of the company.
- a. **Memorandum of Association**
 - b. Articles of Association
 - c. Prospectus
 - d. All of the above.
167. **Discount on issue of shares is a ...**
- a. Revenue loss
 - b. Capital loss
 - c. Deferred revenue expenditure.
 - d. Revenue and capital loss both
168. **A company comes into existence when it gets the certificate of.....**
- a. **Incorporation**
 - b. Commencing the business
 - c. Income-tax department
 - d. None of the above
169. **The main object of permitting the company to issue non-voting equity shares is**
- a. To give higher dividend
 - b. To give preference on re-payment
 - c. **To raise resources without losing management control**
 - d. All of the above
170. **Difference between income and expenses, if income is more is called**
- a. Net Revenue
 - b. Profit
 - c. Surplus
 - d. **All of the above**
171. **Active Partners are also called as**
- a. Nominal Partners
 - b. Quasi Partners
 - c. Sleeping Partners
 - d. **Working Partners**
172. **Premium received on issue of shares is shown in ...**
- a. Assets side of Balance Sheet
 - b. **Liabilities side of balance sheet**
 - c. Debit side of P & L a/c
 - d. Credit side of P & L a/c

- 173. Under Fluctuating Capital Method, for each partner, the following account/s is/are maintained.**
- a. **Partner's Capital A/c**
 - b. Partner's Current A/c
 - c. Both a & b
 - d. Any one of the two
- 174. Shareholders get ...**
- a. Fees
 - b. Commission
 - c. Interest
 - d. **Dividend**
- 175. For a bank, Rebate on bills discounted is an item of ...**
- a. an income
 - b. an expenditure
 - c. an accrued income
 - d. **an income received in Advance**
- 176. Purchased a printer having price as Rs.10,000 at a discounted price of Rs.9,000.**
The entry for this will be
- a. Debit Office Equipment a/c Rs.10,000, Credit Cash a/c Rs.9,000, Credit Discount Received Rs.1,000.
 - b. Debit Purchases a/c Rs.10,000, Credit Cash a/c Rs.9,000, Credit Discount Received Rs.1,000.
 - c. **c. Debit Office Equipment a/c Rs.9,000, Credit Cash a/c Rs.9,000.**
 - d. d. Debit Purchases a/c Rs.9,000, Credit Cash a/c Rs.9,000.
- 177. In the event of death of a partner, the accumulated profits and losses are shared by the partner in ...**
- a. new ratio
 - b. **old ratio**
 - c. sacrifice ratio
 - d. gaining ratio
- 178. Gold appears under**
- a. Other assets
 - b. **Investments**
 - c. Fixed assets
 - d. None of these
- 179. Assets-Rs.3,20,000, Liabilities-Rs.1,40,000, then Capital.....**
- a. Rs.4,60,000
 - b. **Rs.1,80,000**

- c. Rs.1,60,000
 - d. Rs.4,80,000
- 180. Unless otherwise stated, a preference share is always deemed to be ...**
- a. Cumulative, participating and non-convertible
 - b. Non-cumulative, participating and non-convertible
 - c. cumulative, non-participating and non-convertible
 - d. Non-cumulative, non participating and non-nonconvertible
- 181. Application software is concerned with ...**
- a. the programming used to control input unit
 - b. the programming used to control output unit
 - c. **the programming to execute specific functions**
 - d. the programming used to control the operations of the control unit
- 182. The central processing unit in a computer comprises of the following ...**
- a. **Control unit and logical unit**
 - b. Control unit, logical unit and output unit
 - c. Control unit, Input unit and output unit
 - d. Control unit, logical unit and storage unit
- 183. A non - banking asset is ...**
- a. Furniture, Fixture and Fittings
 - b. Office equipment
 - c. Money at call and short notice
 - d. **Asset acquired from the debtors in satisfaction of claims against them**
- 184. Discount allowed on issue of shares is shown in ...**
- a. **Assets side of Balance Sheet**
 - b. Liabilities side of balance sheet
 - c. Debit side of P & L a/c
 - d. Credit side of P & L a/c
- 185. share Allotment Account is ...**
- a. Real Account
 - b. **Personal Account**
 - c. Nominal Account
 - d. Asset Account

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