

# ACCOUNTING 2019

Time: 20 Minutes (Regular & Private) Max. Marks: 20

## SECTION "A" (MULTIPLE CHOICE QUESTIONS)

Choose the correct answer for each from the given options:

- (i) In single entry system, balance sheet is referred as:  
• statement of financial position • retained earnings  
• Profit & loss account • Statement of affairs
- (ii) This is revenue expenditure: • Fire insurance  
• insurance in transit • import duty • installation
- (iii) The expected realizable value of a fixed asset, at the end of its life, is called:  
• book value • fixed value • salvage value • cost
- (iv) This is subject to depreciation:  
• Land • Goodwill • Coal mine • Machinery
- (v) Salvage value is not deducted from cost while computing depreciation under:  
• Machine hour method • Units of production method  
• Diminishing balance method  
• Sum of the year digit method.
- (vi) Old partners do not reduce their capital under:  
• Goodwill method • Revaluation method  
• Bonus method • Direct purchase method
- (vii) If nothing is stated in partnership agreement, the loss of insolvent partner is borne by the: • Same partner  
• Remaining partner • Third party • Insurance Co.
- (viii) If one of the partners, whose capital in Rs.40,000 with a 1/3 share, is paid Rs.55,000 at the time of retirement, the goodwill of the firm will be:  
• Rs.45,000 • Rs.75,000 • Rs.65,000 • Rs.85,000
- (ix) The summary of events or transactions, at the time of dissolution of partnership firm, is called:  
• Income distribution summary • Liquidation summary  
• Expense & Revenue summary • Income summary
- (x) Account, which is operated at the time of dissolution of partnership firm, is: • Revaluation  
• Reaffirmation • Realization • Income summary
- (xi) This account appears in the income & expenditure a/c:  
• Accrued subscription • Subscription income  
• Subscription received in advance  
• Subscription payable
- (xii) This one of the following accounts is debited when capital expenditure are made:  
• Fixed asset • Expense • Current assets • Liability
- (xiii) Excess amount, paid to debenture holders at the time of its maturity, is:  
• Ordinary premium • Premium on redemption  
• Premium on discount • Extraordinary premium
- (xiv) This item is to be added to unadjusted profit in profit and loss statement in single entry:  
• Accrued income • Accrued expense  
• Unearned income • Depreciation Expense
- (xv) In non-profit organization, Accumulated fund means:  
• General fund • Petty cash fund  
• Capital fund • Investment fund
- (xvi) Realization account is used to close this account:  
• Asset • Revenue • Expense • Drawing
- (xvii) Declared cash dividend is Company's: • Asset  
• Current liability • Revenue • Long term liability
- (xviii) Ordinary's shares are the Company's:  
• Asset • Liability • Capital • Expense
- (xix) Depreciation is such an expense:  
• Cash • Accrued • non-cash • Payable
- (xx) Purchase of fixed assets & expansion of fixed assets is:  
• Revenue expenditure • Capital  
• Capital expenditure • Expense