

ACCOUNTING

2017

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

SECTION "A" (MULTIPLE CHOICE QUESTIONS)

1. Choose the correct answer for each from the given options:

- (i) If the opening capital is Rs.4125, ending capital is Rs. 2830 & drawing is Rs.825, then net income/loss will be:
• Rs.470 • Rs.570 • Rs.670 • Rs.7700
- (ii) In the Balance Sheet of a limited company, the Retained Earnings account is shown under the heading of:
• current assets • current liability
• non current assets • stockholder equity
- (iii) This is the only tangible fixed asset, which is not changed to expense:
• Building • Machinery • Land • Furniture
- (iv) Gain or Loss on revaluation of assets before admitting a new partner is:
• transferred to old partner's capital accounts
• transferred to new partner's capital account
• closed to expense & revenue summary
• transferred to all partners' accounts
- (v) This does not appear in Income statement: • Sales
• Commission Income • Rent Expense • Copyright
- (vi) When retiring partner receives higher amount against his actual capital, then his retirement is at:
• Goodwill • Bonus • Revaluation • Realization
- (vii) Receipts and payments accounts are a summary of the:
• Cash book • Purchase journal
• Sales journal • General journal
- (viii) Disposal of Net Income of a Joint Stock Company is the utilization of:
• Retained Earnings • Net Income • Net Loss • Cash
- (ix) Realization account is temporarily used in place of:
• Expenses Account • Revenue Account
• Capital Account • Liabilities Account
- (x) The process of Allocation of cost of tangible assets is called:
• Amortization
• Depletion • Depreciation • Revaluation
- (xi) When the Net Income is transferred to Retained Earnings account, this account is debited to:
• Retained Earnings • Sinking fund
• Expense & Revenue summary • General Reserve
- (xii) Bonus share is paid in/by:
• Stock • Cash • Property • Interest
- (xiii) At the time of admission, old partner's capital will remain the same in:
• Bonus to old partners • Bonus to new partner
• Goodwill to new partner • Goodwill to old partner
- (xiv) The profit of loss resulting from the realization account is transferred to: • Assets • Partners' Capital a/c.
• Realization account • Bank account
- (xv) Net income of the company at end of the year must be transferred to:
• Shareholders account • Retained earnings a/c
• Debenture account • Capital Account
- (xvi) If the partner is solvent, his deficiency is met by:
• Himself • Remaining partner • All partners • the Firm
- (xvii) Depreciable cost value of an asset under straight line method is:
• Cost + Scrap value • Cost + Market value
• Cost - Scrap value • Cost - Market value
- (xviii) Fixed Assets are normally shown in Balance sheet at:
• Book value • Market value
• Historical cost • Scrap value
- (xix) Subscription received in advance will be shown in:
• Cash Book • Trial Balance
• Income Expenditure A/c • Balance Sheet
- (xx) In liquidation, when a partner's share of loss is higher than his capital balance, this is known as:
• Solvency • Deficiency • Loss • Gain