

Question No : 1 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is an example of a Current liability?

Answer (Please select your correct option)

- ☐ Closing inventory
- ☐ Opening inventory
- ☐ Petty cash
- ☐ Bank overdraft

Made By: Waqar Siddhu

Question No : 2 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following financial statement **DO NOT** show the financial health of a business at a specific date?

Answer (Please select your correct option)

- ☐ Profit and loss account
- ☐ Balance sheet
- ☐ Statement of financial position
- ☐ All of the given options

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Question No : 3 of 27

Marks: 1 (Budgeted Time 1 Min)

Particulars	Rs.
Opening stock of raw material	100,000
Closing stock of raw material	85,000
Purchases of raw material during the period	200,000
Cost of Material Consumed	?

Answer (Please select your correct option)

- ☐ Rs. 205,000
- ☐ Rs. 215,000
- ☐ Rs. 220,000
- ☐ Rs. 225,000

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Question No : 4 of 27

Marks: 1 (Budgeted Time 1 Min)

If you start with cash book favorable balance in Bank Reconciliation Statement, which item will be added?

Answer (Please select your correct option)

- ☐ Cheque deposited but not credited by the bank
- ☐ Cheques omitted to be deposited into bank
- ☐ Any amount directly collected by bank on behalf of customer but not recorded in cash book
- ☐ Debit side of cash book was overcast

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Question No : 5 of 27

Marks: 1 (Budgeted Time 1 Min)

Accounting is the language of:

Answer (Please select your correct option)

- ☐ Business
- ☐ School
- ☐ Proprietor
- ☐ Management

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Question No : 6 of 27

Marks: 1 (Budgeted Time 1 Min)

Particulars	Rs.
Direct materials costs	80,000
Direct labor costs	50,000
Manufacturing overhead costs	60,000
Prime cost	?

Answer (Please select your correct option)

- ☐ Rs.130,000
- ☐ Rs.110,000
- ☐ Rs.140,000
- ☐ Rs.190,000

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Question No : 7 of 27

Marks: 1 (Budgeted Time 1 Min)

When goods are given as charity or free samples, the purchases account should be:

Answer (Please select your correct option)

- ☐ Debited
- ☐ Credited
- ☐ Recorded in balance sheet
- ☐ None of the given options

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Question No : 8 of 27

Marks: 1 (Budgeted Time 1 Min)

A payment of Rs. 500 to Saeed & Co. for bringing a machine to our factory should be debited to:

Answer (Please select your correct option)

- ☐ Saeed & Co.
- ☐ Cash account
- ☐ Machinery account
- ☐ Carriage account

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Question No : 9 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account would be debited, when goods are sold on credit?

Answer (Please select your correct option)

- ☐ Stock account
- ☐ Accounts receivable account
- ☐ Accounts payable account
- ☐ Sales account

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Question No : 10 of 27

Marks: 1 (Budgeted Time 1 Min)

What is the cost of material issued to production based on the following information?

- Opening stock Rs. 1,000
- Closing stock Rs. 500
- Cost of material available for use Rs. 10,000

Answer (Please select your correct option)

☐ Rs. 9,000

☐ Rs. 9,500

☐ Rs.11,500

☐ Rs. 8,500

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Question No : 11 of 27

Marks: 1 (Budgeted Time 1 Min)

Which one of the following is not the feature of partnership?

☐ Large scale business

☐ Managerial decision making

☐ Transfer of Interest (share)

☐ Profit sharing

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Question No : 12 of 27

Marks: 1 (Budgeted Time 1 Min)

Calculate total profit of a firm from the following data:

- Cash Sales Rs. 50,500
- Cash Purchases Rs. 20,500
- Other Cash Expenses Rs. 5,000
- Credit Sales Rs. 25,000
- Other Credit Expenses Rs. 3,000

Answer (Please select your correct option)

☐ Rs. 47000

☐ Rs. 30,000

☐ Rs. 22,000

☐ Rs. 55,000

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Question No : 13 of 27

Marks: 1 (Budgeted Time 1 Min)

Mr. A paid to his creditor Rs. 10,000 and availed cash discount of Rs. 250. Mr. A should debit his creditor by:

Answer (Please select your correct option)

☐ Rs. 10,000

☐ Rs. 9,750

☐ Rs. 250

☐ Rs. 10,250

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Question No : 14 of 27

Marks: 1 (Budgeted Time 1 Min)

The assets of ABC Limited amount to Rs. 1,055,550. What are the company's liabilities?

Answer (Please select your correct option)

☐ Rs. 1,000,000

☐ Rs. 1,055,550

☐ Rs. 55,550

☐ Rs. 1,555,050

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Question No : 15 of 27

Marks: 1 (Budgeted Time 1 Min)

If factory overhead cost and direct labour cost of SM Manufacturing concern is Rs. 90,000 and Rs. 70,000 respectively. What will be the Prime cost if cost of direct material consumed is Rs. 40,000?

Answer (Please select your correct option)

☐ Rs. 160,000

☐ Rs. 200,000

☐ Rs. 110,000

☐ Rs. 130,000

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Question No : 16 of 27

Marks: 1 (Budgeted Time 1 Min)

When income exceeds expenses in a specific time period, the excess amount is termed as:

Answer (Please select your correct option)

- ☐ Saving
- ☐ Net profit
- ☐ Gross profit
- ☐ Operating profit

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Question No : 17 of 27

Marks: 1 (Budgeted Time 1 Min)

Cost of Rs. 100,000 is incurred for the construction of incomplete fixed assets and these assets are not completed till the end of an accounting period. Which of the following account would be credited for the cost of Rs. 100,000 incurred on construction of such assets if the payment is postponed for a specified future date?

Answer (Please select your correct option)

- ☐ Capital work in progress account
- ☐ Bank account
- ☐ Cash account
- ☐ Accounts payable account

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Question No : 18 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is treated as Deferred Revenue Expenditure?

Answer (Please select your correct option)

- ☐ Carriage of Rs. 7,500 spent on machinery purchased and installed.
- ☐ Heavy advertising cost of Rs. 200,000 spent on the launching of a company's new product.
- ☐ Rs. 200 paid for servicing the company vehicle, including Rs. 50 paid for changing the oil.
- ☐ Carriage of Rs. 500 paid on purchases of goods.

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Question No : 19 of 27

Marks: 1 (Budgeted Time 1 Min)

Installation costs of Rs. 300,000 of new production machine should be treated as:

Answer (Please select your correct option)

- ☐ Capital expenditure
- ☐ Revenue expenditure
- ☐ Deferred revenue expenditure
- ☐ Capital loss

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Question No : 20 of 27

Marks: 1 (Budgeted Time 1 Min)

When drawing-up a bank reconciliation statement, if you start with a favorable balance as per the Cash book, the bank charges of Rs. 100 recorded twice will be:

Answer (Please select your correct option)

- ☐ Added by Rs. 100
- ☐ Added by Rs. 200
- ☐ Subtracted by Rs. 100
- ☐ Subtracted by Rs. 200

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Question No : 21 of 27

Marks: 1 (Budgeted Time 1 Min)

Cost of asset	Rs. 100,000
Life of asset	5 years
Annual Depreciation	Rs. 20,000
Sale price after 5 years	Rs. 2,000
Profit or loss on disposal of fixed asset	?

Answer (Please select your correct option)

- ☐ Rs. 98,000 loss
- ☐ Rs. 2,000 profit
- ☐ Rs. 2,000 loss
- ☐ Rs. 100,000 loss

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Question No : 22 of 27

Marks: 1 (Budgeted Time 1 Min)

Annual Insurance Premium on a 5 - year life insurance policy should be treated as:

Answer (Please select your correct option)

- ☐ Capital expenditure
- ☐ Revenue expenditure
- ☐ Deferred expenditure
- ☐ All of the given options

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Question No : 23 of 27

Marks: 3 (Budgeted Time 6 Min)

Pass the journal entries for the following transactions.

- ❖ Mr. Salman purchased goods from Mr."C" for Rs. 1,000.
- ❖ Goods are returned to Mr."C" worth Rs. 500.

Answer (Please [click here](#) to Add Answer)

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Question No : 24 of 27

Marks: 3 (Budgeted Time 6 Min)

Define Drawings and what is the treatment of cash drawings in financial statements?

Answer (Please [click here](#) to Add Answer)

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Question No : 25 of 27

Marks: 3 (Budgeted Time 6 Min)

- If:
- Cost of fixed asset Rs. 240,000
 - Accumulated depreciation Rs. 40,000

Required:

Answer (Please [click here](#) to Add Answer)

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Question No : 26 of 27

Marks: 5 (Budgeted Time 10 Min)

Prepare balance sheet as on May 31, 2011 from the data given below for Model Company Limited:

Particulars	Rs.	Particulars	Rs.
Cash & Bank	10,250	Stock	40,000
Wife's Loan	10,000	Profit & Loss A/C	48,250
Machinery & Plant	57,500	Trade Debtors	32,500

Answer (Please [click here](#) to Add Answer)

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

From the following particulars of Shahbaz & Company, prepare a Bank Reconciliation Statement as on 31st December 2010.

- Favorable balance as per the Pass Book Rs. 70,000.
- The cash book balance had been incorrectly brought down at 1st January, 2011 as a debit balance of Rs. 3,000 instead of a debit balance of Rs. 2,000.
- Cheque paid into the bank had been incorrectly totaled. The total amount should have been Rs. 5,000 instead of Rs. 7,000.

Answer (Please [click here](#) to Add Answer)

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