

Question No : 1 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following statement is **NOT TRUE** about Current liabilities?

Answer (Please select your correct option)

- ☐ These are due within one year
- ☐ These are short-term loans
- ☐ These are consist of all debts, payable after 12 months
- ☐ In working capital, these are deducted from current assets

Made By: Waqar Siddhu

Question No : 2 of 27

Marks: 1 (Budgeted Time 1 Min)

The unfavorable balance of Profit and Loss account should be:

Answer (Please select your correct option)

- ☐ Added in liabilities
- ☐ Subtracted from current assets
- ☐ Subtracted from liabilities
- ☐ Subtracted from capital

Made By: Waqar Siddhu

Question No : 3 of 27

Marks: 1 (Budgeted Time 1 Min)

If the working capital and the current assets of company XYZ are Rs. 5,000 and Rs.15,000 respectively, calculate the current liabilities.

Answer (Please select your correct option)

- ☐ Rs. 5,000
- ☐ Rs. 10,000
- ☐ Rs. 15,000
- ☐ Rs. 20,000

Made By: Waqar Siddhu

Question No : 4 of 27

Marks: 1 (Budgeted Time 1 Min)

Consider the following:

Beginning inventory	10 units @ Rs. 10 per unit
First purchase	35 units @ Rs. 11 per unit
Second purchase	40 units @ Rs. 12 per unit
Third purchase	20 units @ Rs. 13 per unit

Answer (Please select your correct option)

- ☐ Rs.260
- ☐ Rs.232
- ☐ Rs.284
- ☐ Rs.268

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Question No : 5 of 27

Marks: 1 (Budgeted Time 1 Min)

_____ is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Answer (Please select your correct option)

- ☐ Present value
- ☐ Fair value
- ☐ Book value
- ☐ Residual value

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Question No : 6 of 27

Marks: 1 (Budgeted Time 1 Min)

If you start with cash book balance (Dr.), which of the following item will be deducted in Bank Reconciliation Statement?

Answer (Please select your correct option)

- ☐ Any cheque drawn to creditor but not paid by bank
- ☐ Interest credited by the bank in pass book
- ☐ Cheque deposited but not credited by the bank
- ☐ Dividend collected by bank on behalf of the customer

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Question No : 7 of 27

Marks: 1 (Budgeted Time 1 Min)

Expenditure is revenue in nature when it:

Answer (Please select your correct option)

- ☐ Benefits the current period
- ☐ Benefits the future period
- ☐ Belong to the previous period
- ☐ None of the given options

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Question No : 8 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following shows a debit balance under normal circumstances?

Answer (Please select your correct option)

- ☐ Asset
- ☐ Capital
- ☐ Liability
- ☐ Profit

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Question No : 9 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account will be credited, if business bought goods on credit from Mr. Ali?

Answer (Please select your correct option)

- ☐ Purchases account
- ☐ Mr. Ali account
- ☐ Cash account
- ☐ Sales account

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Question No : 10 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account will be credited, if business sold goods for Rs. 10,000 on credit?

Answer (Please select your correct option)

- ☐ Cash account
- ☐ Sales account
- ☐ Accounts receivable account
- ☐ Purchases account

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Question No : 11 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following represent(s) the Prime Cost?

Answer (Please select your correct option)

- ☐ Direct Material Cost + Direct Labour Cost
- ☐ Total Factory Cost – Factory Overheads
- ☐ Conversion Cost – Factory Overheads + Direct Material Costs
- ☐ All of the given options

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Question No : 12 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is a method of calculating depreciation?

Answer (Please select your correct option)

- ☐ Written Down Value Method
- ☐ FIFO Method
- ☐ LIFO Method
- ☐ Weighted Average Method

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Question No : 13 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is **TRUE**?

Answer (Please select your correct option)

- ☐ The entries in pass book are made by the bank
- ☐ The entries in pass book are made by the depositor himself
- ☐ The entries in pass book are made by the audit officer
- ☐ The entries in pass book are made by the businessman

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Question No : 14 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is **TRUE**?

Answer (Please select your correct option)

- ☐ The entries in cash book are made by the bank
- ☐ The entries in cash book are made by the depositor himself
- ☐ The entries in cash book are made by the audit officer
- ☐ The entries in pass book are made by the manager

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Question No : 15 of 27

Marks: 1 (Budgeted Time 1 Min)

The payment of salaries Rs. 34,000 is treated as revenue expenditure because the benefit of this salary may go upto:

Answer (Please select your correct option)

- ☐ More than one year.
- ☐ Less than one year.
- ☐ One and half year only.
- ☐ None of the given options.

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Question No : 16 of 27

Marks: 1 (Budgeted Time 1 Min)

If the raw material consumed accounts for Rs. 150,000; labor incurred Rs. 75,000 and other overhead incurred was Rs. 50,000. The prime cost would be;

Answer (Please select your correct option)

☐ Rs. 275,000

☐ Rs. 225,000

☐ Rs. 200,000

☐ Rs. 125,000

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Question No : 17 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account would be credited, when amount of Rs. 5,000 were paid for other overhead cost incurred during the process of production?

Answer (Please select your correct option)

☐ Labour/Wages

☐ Cash

☐ Work In Process

☐ Factory overhead cost

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Question No : 18 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following would be found when purchases are added to raw material opening Inventory?

Answer (Please select your correct option)

☐ Cost of material consumed

☐ Cost of material available for use

☐ Cost of goods sold

☐ Cost of output

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Question No : 19 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

Made By: Waqar Siddhu

Question No : 20 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following transaction has **NO** effect on stockholders' equity?

☐

Purchase of building on credit

☐

Dividend

☐

Net loss

☐

Investment in business by shareholders

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Question No : 21 of 27

Marks: 1 (Budgeted Time 1 Min)

Due to heavy rain, the under-construction building of Mr. ABC collapsed. The total cost incurred on this construction so far was estimated Rs. 500,000. In the business' books of accounts, Mr. ABC should:

☐

Debit the "Loss of Building by Rain account."

☐

Credit the "Building Account".

☐

Debit the "Cash account" if something is recovered from the sale of this scrap.

☐

All of the given options

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Question No : 22 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 bank statement, the interest debited by bank not entered in the cash book should be:

Answer (Please select your correct option)

- ☐ Added
- ☐ Subtracted
- ☐ Multiplied
- ☐ Divided

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Question No : 23 of 27

Marks: 3 (Budgeted Time 6 Min)

Calculate the rate of depreciation for the asset with the help of given data.

Cost of the asset	Rs. 1,20,000
Residual Value	Rs. 40,000
Expected Life	5 years

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



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Question No : 24 of 27

Marks: 3 (Budgeted Time 6 Min)

Following data relates to Wonderland Company Limited as on December 31, 2010. You are required to calculate the amount of Current Assets:

	<u>Rs.</u>
Fixed Assets	510,650
Current Liabilities	60,700
Investments	135,300

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



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Question No : 25 of 27

Marks: 3 (Budgeted Time 6 Min)

Following information is available of XYZ Co.

- Opening stock of Raw Material is Rs. 10,000
- Amount paid to labour is Rs. 200,000 out of which Rs. 40,000 charged to sales salaries and remaining amount is charged to production.

Required:

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

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Question No : 26 of 27

Marks: 5 (Budgeted Time 10 Min)

The cost of manufacturing of White manufacturing company is Rs. 75,000 during the most recent year. Beginning work in process was Rs. 10,000 and ending work in process is Rs. 5,000. Finished goods inventory has been decreased by Rs. 15,000. Calculate the cost of goods sold for the period.

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

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

ITC Ltd. purchased a new motor car of Rs. 621,000 for its sales manager and incurred the following expenses:

Petrol	Rs. 1,000
Delivery	5,000

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

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