

Question No : 1 of 27

Marks: 1 (Budgeted Time 1 Min)

Assets total Rs. 50, 000 and Liabilities total Rs. 10, 000. What is the equity of the business?

Answer (Please select your correct option)

- ☐ Rs. 40, 000
- ☐ Rs. 60, 000
- ☐ Rs. 10, 000
- ☐ Rs. 50, 000

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Question No : 2 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following particular is **NOT** included in the specimen of a payment voucher?

Answer (Please select your correct option)

- ☐ Name of organization
- ☐ Cash payment amount
- ☐ Date of transaction
- ☐ Bank receipt

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Question No : 3 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account will be credited, when the goods are purchased on cash?

Answer (Please select your correct option)

- ☐ Stock account
- ☐ Cash account
- ☐ Supplier account
- ☐ Work in process account

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Question No : 4 of 27

Marks: 1 (Budgeted Time 1 Min)

Which one of the following is another name of carrying cost of an asset?

Answer (Please select your correct option)

- ☐ Book Value
- ☐ Residual Value
- ☐ Fair Value
- ☐ Break up Value

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Question No : 5 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following enjoys the benefit of limited liability?

Answer (Please select your correct option)

- ☐ Sole-proprietorship
- ☐ Partnership
- ☐ Limited companies
- ☐ Trusts

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Question No : 6 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is the price of goods sold or services rendered by a business to its customers?

Answer (Please select your correct option)

- ☐ Revenue
- ☐ Expense
- ☐ Asset
- ☐ Liability

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Question No : 7 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following is connected with the management of the business?

Answer (Please select your correct option)

- ☐ Administrative expense
- ☐ Selling expense
- ☐ Marketing expense
- ☐ Financial expense

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Question No : 8 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account will be credited in the books of XYZ Co. Ltd, if the business purchased a vehicle though cheque?

Answer (Please select your correct option)

- ☐ Vehicle account
- ☐ Cash account
- ☐ Business account
- ☐ Bank account

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Question No : 9 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account would be credited when Rs.5, 000 were paid to vendor?

Answer (Please select your correct option)

- ☐ Cash
- ☐ Voucher payable
- ☐ Sundry debtors
- ☐ Personal account of customer

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Question No : 10 of 27	Marks: 1 (Budgeted Time 1 Min)
<p>If:</p> <ul style="list-style-type: none"> Manufacturing Cost is Rs. 30,000 Opening Work in Process Inventory is Rs. 5,000 Closing Work in Process Inventory is Rs. 10,000 <p>Then:</p>	
Answer (Please select your correct option)	
<input type="radio"/>	Rs. 35,000
<input type="radio"/>	Rs. 25,000
<input type="radio"/>	Rs. 15,000
<input type="radio"/>	Rs. 20,000
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Question No : 11 of 27	Marks: 1 (Budgeted Time 1 Min)
<p>Which of the following represent(s) the Cost of goods sold?</p>	
Answer (Please select your correct option)	
<input type="radio"/>	Sales – Gross Profit
<input type="radio"/>	Opening Stock + Purchases – Closing Stock
<input type="radio"/>	Cost of goods Manufactured + Opening Finished Goods Inventory – Closing Finished Goods Inventory
<input type="radio"/>	All of the given options
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Question No : 12 of 27	Marks: 1 (Budgeted Time 1 Min)
<p>Which of the following is TRUE about capital receipt?</p>	
Answer (Please select your correct option)	
<input type="radio"/>	It decreases value of property or increases value of liability
<input type="radio"/>	It is shown in the income and expenditure account
<input type="radio"/>	It is recurring in nature
<input type="radio"/>	It is not shown in the statement of financial positions
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Question No : 13 of 27

Marks: 1 (Budgeted Time 1 Min)

A small businessman unable to plan his business spendings should learn from:

- ☐ an educated accountant.
- ☐ an old "Munshi".
- ☐ the old concept of "Potlee".
- ☐ All of the given options.

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Question No : 14 of 27

Marks: 1 (Budgeted Time 1 Min)

Mr. A paid salary for the month of March amounted to Rs. 50,000. Mr. A should record this salary in:

- ☐ Books of Accounts
- ☐ Special Journal
- ☐ General Journal
- ☐ General Ledger

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Question No : 15 of 27

Marks: 1 (Budgeted Time 1 Min)

A Machine was purchased on January 1, 2006 for Rs. 500,000 with the estimated life of 5 Years. But at the end of 2010, the total depreciation charged against this machinery was amounted to Rs. 475,000. The balance amount may be treated as:

- ☐ Scrap Value
- ☐ Profit on Disposal
- ☐ Depreciation Expense
- ☐ Loss by Usage

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Question No : 16 of 27

Marks: 1 (Budgeted Time 1 Min)

If the cash account shows debit total of Rs. 15,850 and credit total of Rs. 15,850. The account will have:

- ☐ Empty Balance
- ☐ Abnormal Balance
- ☐ Zero Balance
- ☐ Normal Balance

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Question No : 17 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following account would be credited on disposal of fixed asset for accumulating depreciation expense to date?

- ☐ Fixed asset disposal account
- ☐ Profit and loss account
- ☐ Depreciation expense account
- ☐ Accumulated depreciation account

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Question No : 18 of 27

Marks: 1 (Budgeted Time 1 Min)

A vehicle has an estimated life of 4 years. Which of the following is the rate of depreciation under fixed installment basis?

- ☐ 25% per annum
- ☐ 50% per annum
- ☐ 33.33 % per annum
- ☐ Cannot be determined

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Question No : 19 of 27

Marks: 1 (Budgeted Time 1 Min)

Rate of depreciation is 10% per annum on cost of all fixed assets except land and you have found some incomplete fixed assets amounting to Rs. 100,000 at the time of preparing balance sheet. How can you charge the depreciation on such assets?

Answer (Please select your correct option)

- ☐ Rs. 10,000 is deducted from fixed assets.
- ☐ Rs. 10,000 is deducted from incomplete fixed assets.
- ☐ Rs. 10,000 is deducted from current assets.
- ☐ No depreciation is charged on incomplete fixed assets.

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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 debit balance of Rs. 1,000 in the bank column of the cash book was carried forward as its credit balance will be:

- ☐ Added by Rs. 1,000
- ☐ Added by Rs. 2,000
- ☐ Subtracted by Rs. 1,000
- ☐ Subtracted by Rs. 2,000

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Question No : 21 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following financial statements summarizes the profitability of an organization for a particular period?

- ☐ Statement of Retained Earnings
- ☐ Balance Sheet
- ☐ Trading and Profit & Loss account
- ☐ Cash Flow Statement

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Question No : 22 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following statements is **TRUE** with respect to Book-keeping?

Answer (Please select your correct option)

- ☐ It does not give the complete picture of financial condition of a business unit
- ☐ It gives the complete picture of financial condition of a business unit
- ☐ It provides information for taking managerial decision
- ☐ It is the summarizing phase of an accounting system

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Question No : 23 of 27

Marks: 3 (Budgeted Time 6 Min)

Prepare a **Cost of goods sold** statement for a trading concern with the help of data given below:

- Opening stock = Rs. 10,000
- Purchases = Rs. 5,000
- Closing stock = Rs. 7,000
- Sales = Rs. 40,000

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

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Question No : 24 of 27

Marks: 3 (Budgeted Time 6 Min)

What do you know about the following?

- ❖ Voucher
- ❖ Ledger

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

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Question No : 25 of 27

Marks: 3 (Budgeted Time 6 Min)

ABC Co. bought a parcel of land for his industrial unit amounting to Rs. 300,000. Construction began immediately on a new building. Costs incurred are Architect's fees Rs. 50,000, Legal fees for land purchase contract Rs. 4,000 and Construction costs Rs. 500,000. Calculate the cost for new land and building recorded in the books of accounts of ABC Co. respectively?

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

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Question No : 26 of 27

Marks: 5 (Budgeted Time 10 Min)

- If:
- Opening stock Rs. 40,000
 - Purchases Rs. 60,000
 - Return Inwards Rs. 10,000

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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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

Delivery	5,000
Number plates	4,000

It is estimated that new car will have a useful life of 12 years and will have a salvage value of Rs. 30,000.

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

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

Delivery	5,000
Number plates	4,000

It is estimated that new car will have a useful life of 12 years and will have a salvage value of Rs. 30,000.

Required:

Calculate the total cost and the total amount to be depreciated.

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

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