Question Starts:

1. Income and expenditure A/C reveals:
   a. Gross Profit
   b. Net Profit
   c. Surplus and deficiency
   d. Cash Balance
2. Subscription received in advance during a current year, is treated as:
   a. Assets
   b. Liability
   c. Income
   d. Capital fund
3. Income and expenditure A/C records transactions of:
   a. All Capital nature
   b. All revenue nature
   c. Both capital and revenue nature
   d. Only cash receipts and payments
4. Receipt and payment account is a:
   a. Personal account
   b. Real account
   c. Nominal account
   d. Representative personal account
5. Amount received from the sale of gross by a club, should be treated as
   a. Capital receipt
   b. Revenue receipt
   c. Extra ordinary income
   d. Assets
6. Given:
   Opening Stationery = Rs 8,000/-
   Closing stationery = Rs. 6,000/-. Stationery purchased during the year Rs.47,000/-. Then, Stationery consumed during the year will be:
   a. Rs 55,000/-
   b. Rs. 53,000/-
   c. Rs. 49,000/-
   d. Rs. 45,000/-
7. Subscription received by a club for cricket match, is treated as
   a. Revenue Receipt
   b. Normal Income
   c. Earned income
   d. Capital Receipt
8. Dead Stock includes:
   a. Land-Buildings
   b. Debtor
   c. Creditors
   d. Investments
9. A fund arising from a bequest which is devoted for a specific purpose, is known as:
   a. Legacy
   b. Endowment fund
   c. Honorarium
   d. Life membership fee.
10. Special contribution for silver jubilee celebration is to be recorded on:
    a. Liability side of Balance sheet
    b. Debit Side of Income and expenditure
    c. Asset side of balance sheet
    d. Credit side of Income and expenditure
11. Prize fund (Opening ) Rs 32,800/-, Donation received for prize fund- Rs 15,400/-. Amount spent for prize in the year – Rs 12,300/-. Interest received on prize Fund investment= Rs 4,000/-. If so, the closing balance of prize fund will be:
    a. Rs 56,500/-
    b. Rs 64,500/-
    c. Rs 39,900/-
    d. Rs 31,900/-
12. Postage – (1-1-2017): Rs 300/-, Payment made during the year : Rs 1080 for stamp stock of postage during the year (31-12-2017): Rs 50/-. Calculate the amount of postage to be shown in Income and Expenditure A/C:
    a. Rs 1330/-
    b. Rs 1380/-
    c. Rs 1130/-
    d. Rs 1430/-
13. Subscription received during the year : Rs 30,000/-, Outstanding for the previous year : Rs 1000/-, Outstanding for the current year : Rs 1500/-. Subscription received for the next year as advance: Rs 500/-. The amount credited to Income and expenditure account will be:
    a. Rs 30,000/-
    b. Rs 33,000/-
    c. Rs 31,000/-
    d. Rs 30,500/-
14. A partner withdrew from a firm Rs.12,000/- during a year. Interest chargeable is 12 % p.a. What will be the total amount deductible from his profit share at the end of the year?
   a. Rs 12,600/-
   b. Rs 12,720/-
   c. Rs 13,440/-
   d. Rs 13,080/-

15. Accounting statements are:
   a. Fully accurate
   b. Not fully accurate
   c. Partly accurate
   d. Totally inaccurate

16. A firm gives Rs.20,000/- to a manager for a big firm project, but the project proves to be a complete failure. This amount will be:
   a. Capital Expenditure
   b. Revenue expenditure
   c. Capitalized revenue expenditure
   d. Deferred revenue expenditures

17. Which of the following goods is not to be included in stock?
   a. Goods sent to the customer on sales or return basis
   b. Raw materials purchased for making products
   c. Goods have been sold but remained undelivered
   d. Goods sent to the agents for sale but remained unsold.

18. Cash discount is allowed at time of
   a. Sales of goods
   b. Getting the invoice.
   c. Receiving the payment
   d. Purchase of Goods

19. Noting charges are ultimately borne by the
   a. Bank
   b. Drawer
   c. Payee
   d. Drawee

20. Out of the following which is not the cause of Depreciation?
   a. Obsolescence
   b. Efflux of time
   c. Exhaustion
   d. Fall in the market price

21. On 13-7-2009, “X” draws a bill on “Y” for Rs 25,000/- for 30 days. The due date of the bill will be:
   a. 15th August
   b. 14th August
   c. 17th August
   d. 16th August

22. The Liability of a discounted bill is
   a. Contingent Liability
   b. Fixed Liabilities
   c. Current Liabilities
   d. Short term liabilities.

23. What account will be credited when a discounted bill has been dishonoured?
   a. Drawee’s Account
   b. Drawer’s Account
   c. Bank Account
   d. Endorsee’s Account

24. Those bills which are not entitled to ‘days of grace’ are known as
   a. Bill after date
   b. Bill after sight
   c. Bill at sight
   d. Bill on endorsement

25. Shyam draws a bill for 40 days on 20th January, 2010. The bill matures on:
   a. March 4, 2010
   b. February 28, 2010
   c. March 1, 2010
   d. March 6, 2010

26. Promissory Note is an instrument:
   a. Unconditional
   b. Conditional
   c. With Specific Instruction
   d. Conditional or unconditional

27. Payment before maturity of a bill is called:
   a. Bill endorsed
   b. Retiring of a bill
   c. Dishonour of a bill
   d. Renewal of a bill

28. Bills payable book is a part of
   a. Posting
   b. Transfer
   c. Cash Book
   d. Trial Balance

29. Which of the following will be recorded as Contra Entries?
   a. Cheques directly deposited into bank by a customer.
   b. Payment made by a creditor by Cheque
   c. Cash deposited into bank
   d. Cash Sales and deposited in the bank on the same day.
30. The debit as well as credit aspects of a transaction are recorded in the cash book, it is called:
   a. Compound entry
   b. Opening entry
   c. Adjustment entry
   d. Contra Entry

31. “Account Payee Crossing”
   a. Allows to deposit the cheque in the name of any depositor
   b. Restricts the negotiability of the Cheque
   c. Allow to pay the cheque to depositors through their account
   d. Allows the Cheque to endorse to any customer.

32. Provision means
   a. Arrangement for known liabilities
   b. Arrangement for unknown liabilities
   c. Arrangement for purchase of fixed assets
   d. Arrangement for payment of big revenue Expense.

33. Secret Reserve is created by
   a. Showing Capital expense in profit or loss A/C
   b. Increasing Sales-values
   c. Closing stock at higher value
   d. Showing contingent assets as real assets.

34. Every business house finds it necessary to maintain
   a. Reserve
   b. Provision
   c. Reserve Fund
   d. Secret Reserve

35. Amortisation means the writing off annually some part of
   a. Wasting assets
   b. Liquid assets
   c. Intangible assets
   d. Tangible assets

36. The WDV of an asset after three years of depreciation under Reducing Method @15% p.a. is Rs 49130/-. What was the original value?
   a. Rs 40000/-
   b. Rs 80000/-
   c. Rs 45000/-
   d. Rs 70250/-

37. Original cost of an asset is Rs 1,26,000. Salvage value is Rs. 6,000/-. Expected life is 6 years. The rate of depreciation under SLM will be:
   a. 15.87%
   b. 16.67%
   c. 15.80%
   d. 16.56%

38. The arrangement of reserve is made out of
   a. Profit and loss appropriation A/C
   b. Profit and Loss A/C
   c. Manufacturing A/C
   d. Balance Sheet

39. Provisions were previously known as
   a. Contingency Reserve
   b. Specific Reserve
   c. Reserve Fund
   d. Capital Reserve

40. Depreciation is calculated from the date of
   a. Purchase of assets
   b. Receipt of the assets
   c. Assets put to use
   d. The assets installed

41. The profit and loss under Double Account system is termed as:
   a. Income and expenditure A/C
   b. Revenue A/C
   c. Profit and loss Appropriation A/C
   d. Revenue Replacement A/C

42. Original cost of an asset is Rs 2,00,000, Present cost of Replacement is Rs 2,60,000/-. The amount spent in its replacement is Rs 3,04,000. The amount capitalised will be
   a. Rs 44,000/-
   b. Rs 3,04,000/-
   c. Rs 2,60,000/-
   d. Rs 60,000/-

43. Preliminary expense A/C is shown to
   a. The asset side of general balance sheet
   b. The debit side of Revenue A/C
   c. The debit side of Receipt and expenditure on capital Account
   d. The Credit side of Revenue A/C

44. Provision for doubtful debts A/C is opened in the
   a. Debtor’s ledger
   b. Creditor Ledger
   c. General ledger
   d. Sales ledger
45. Under sectional balancing system, the ledger which is usually made to balance is
   a. Debtor’s ledger
   b. Creditor Ledger
   c. General ledger
   d. Self-Balancing system

46. On replacement of an asset an amount realised on account of sale of old material is credited to
   a. Asset Account
   b. Revenue Account
   c. Replacement Account
   d. Net Revenue Account

47. Promissory Note is written by
   a. Creditors
   b. Debtor
   c. Bank
   d. Government

48. A Contingent liability is
   a. Outstanding liability
   b. Bank overdraft
   c. Liability for Bills discounted
   d. A short term loan

49. Acceptance is necessary on:
   a. Promissory Note
   b. Bill of exchange
   c. Cheque
   d. Transfer of a bill

50. Which of the following is not a qualitative character of Accounting
   a. Relevance
   b. Accuracy
   c. Reliability
   d. Comparability

51. In Double Account System surplus refers to:
   a. The Excess of clear profit over reasonable returns
   b. The excess of reasonable returns over preliminary expenses plus reserves
   c. The excess of reasonable returns over consumer benefit account
   d. The excess of clear profit over reasonable return plus development reserves.

52. Which of the following statements, is not an objective of accounting?
   a. To keep systematic record
   b. To provide information of personal assets and liabilities of the owner
   c. To Ascertain operational profit or loss
   d. To ascertain the financial position of the business

53. Assets which are not convertible into cash are known as
   a. Wasting Assets
   b. Floating assets
   c. Fictitious assets
   d. Tangible assets.

54. According to which of the following concepts, an owner of business is treated as creditor?
   a. Dual Aspect concept
   b. Principle of full disclosure
   c. Principle of revenue realisation
   d. Business Entity Concept

55. Debit balance of a real account shows:
   a. Loan received by the business
   b. Loss of the business
   c. Assets of the business
   d. Expenses of business

56. Out of the following, who is the representative Personal Account?
   a. Sundry Creditors A/C
   b. Bank A/C
   c. Prepaid Insurance A/C
   d. Drawing A/C

57. Find out the total asset
   Opening Capital – Rs 2,60,000/
   - Closing Creditors – Rs 40,000/
   Income during the year - Rs 1,00,000/
   Expenses during the period= Rs 50,000/
   a. Rs 4,50,000/
   b. Rs 3,50,000/
   c. Rs 3,10,000/
   d. Rs 4,00,000/

58. The effect of a computer purchased for the son of a business owner will
   a. Decrease the assets and capital
   b. Increase in assets and decrease in liability
   c. Increase in capital and decrease liability
   d. Increase in liability and decrease in Capital

59. If goods are returned to the supplier, then, we prepare
   a. Debit Note
   b. Receipt Memo
   c. Invoice Bill
   d. Credit Note

60. Which account in the following will be credited on giving of goods on donation?
   a. Sales Account
   b. Donation Account
   c. Purchase Account
   d. Stock Account
61. Bank Overdraft is
   a. Personal Account
   b. Real Account
   c. Intangible Account
   d. Bank Account

62. Purchased goods from Bharati- Rs 5000 for cash less, 8% T.D. and received 2% C.D. The Amount to be credited in discount account will be:
   a. Rs 400
   b. Rs 92
   c. Rs 100
   d. Rs 300

63. Which of the following books should be used to record purchase of furniture on credit?
   a. Journal proper
   b. Furniture book
   c. Purchase book
   d. Bill Book

64. For the deposit of cash into the bank, the system of entry will be
   a. Double entry System
   b. Single Entry system
   c. Contra entry system
   d. Direct entry system

65. When a firm maintains Cash book, it needs not maintain:
   a. Purchase journal
   b. Sales Journal
   c. Cash Account in ledger
   d. Journal Proper

66. A debit note is written by:
   a. Seller to purchaser
   b. Purchaser to seller
   c. Bank to purchaser
   d. Bank to seller

67. Credit balance of personal account shows:
   a. Assets of the business
   b. Liabilities of the business
   c. Profit of the business
   d. Loss of the business

68. Net profit is equal to
   a. Indirect income – Indirect expenses
   b. Credit balance of trading A/C – Indirect expenses + Indirect income
   c. Gross Profit + Indirect expenses – Indirect income
   d. Debit balance of trading A/C + Indirect income – Direct expenses.

69. The net profit of a firm before charging manager commission is Rs 21000/-. If the Manager’s Commission is 5% after charging such commission, the commission payable will be
   a. Rs 1000
   b. Rs 1050
   c. Rs 1100
   d. Rs 950

70. The posting of customers account written in the sales Return book is done:
   a. In the debit side
   b. In the credit side
   c. In cash A/C
   d. In sales return Inward A/C

71. The balance of trading account is transferred to
   a. The sales A/C
   b. The cash A/C
   c. The profit and loss A/C
   d. The balance Sheet assets side.

72. What kind of accounts are shown in the balance sheet?
   a. Nominal and personal A/C
   b. Real and nominal A/C
   c. Real and personal A/C
   d. Real, Nominal and personal A/C

73. Accrued Income is:
   a. A liability
   b. A revenue
   c. An asset
   d. An expense

74. The excess of sales tax paid over sales tax collected will be:
   a. Deducted from sales in trading A/C
   b. Shown to the debit side of profit and loss A/C
   c. Shown to the credit side of profit and loss A/C
   d. Shown to the liability side in balance sheet

75. Patent is
   a. Fictitious assets
   b. Intangible assets
   c. Wasting assets
   d. Tangible asset

76. Cost of Goods sold – Rs 1,50,000/-. Closing stock – Rs 40,000/-. Opening stock – Rs 60,000/-. The Amount of purchase will be:
   a. Rs. 130000
   b. Rs. 170000
   c. Rs. 50000
   d. Rs. 110000
77. Outstanding salary for a trading concern is:
   a. An expenses
   b. An income
   c. A liability
   d. An asset

78. If there is ‘Match Fund’ then match expenses and incomes are transferred to:
   a. Income and expenditure account
   b. Asset side of balance sheet
   c. Liability side of Balance Sheet.
   d. Both Income and Expenditure A/c and Balance Sheet

79. Subscription received during the year ended 31-3-2010.

<table>
<thead>
<tr>
<th>Years</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>Rs. 8000</td>
</tr>
<tr>
<td>2009-10</td>
<td>Rs. 100000</td>
</tr>
</tbody>
</table>

The club has 400 members contributing Rs.300 each. The subscription due for 2009 (31st March) were Rs. 10000. The amount to be received for the year ended 31st March 2010 will be:
   a. Rs. 22000
   b. Rs. 20000
   c. Rs. 14000
   d. Rs. 24000

80. If the amount of any known liability cannot be determined accurately:
   a. Provision should be created
   b. Definite liability should be found out
   c. Reserve should be created
   d. The amount should be shown as a contingent liability.

81. Secret reserve is shown:
   a. In the profit and loss a/c
   b. In the balance sheet liability side
   c. In profit and loss appropriation a/c
   d. Not anywhere in the financial statement.

82. “Depreciation is the gradual and permanent decrease in the value of an asset from any course” who said this?
   a. William Pickles
   b. R.N. Carter
   c. Spicer & Peglar
   d. J.R. Barliboi

83. While preparing the provision for depreciation a/c. the amount of depreciation will be credited to:
   a. Assets account
   b. Profit and loss account
   c. Provision for depreciation account
   d. Depreciation account

84. The cost of licence appears in Double Account System in:
   a. Revenue A/c
   b. Capital A/C
   c. Reserve Balance Sheet
   d. Net Revenue A/c

85. “Closing stock is valued at cost price or market price whichever is less” It is an example of:
   a. Cost benefit principle
   b. Convention of prudence
   c. Principle of consistency

86. Revenue is considered as being earned when:
   a. Production is made
   b. Purchase is effected.
   c. Sale is effected
   d. Cash is received.

87. The amount paid for LIC premium for the proprietor – Rs. 400 was debited to General Expenses account. Point out the type of error:
   a. Error of omission
   b. Error of commission
   c. Error of principle
   d. Compensating error.

88. Accounting principles are:
   a. Written
   b. Oral
   c. Acceptance to all
   d. According to will

89. Of the following, which is not necessary to be recorded in the books of account?
   a. Discount account
   b. Trade discount
   c. Discount allowed
   d. Cash received for discount
90. Discount to Ramesh Rs. 41 has been posted to his account as Rs. 14 only. The rectifying entry will be:
   a. Suspense A/c Rs. 27 to Ramesh A/c Rs. 27
   b. Suspense A/c Rs. 41 to Ramesh A/c Rs. 41
   c. Ramesh A/c Rs. 27 to Suspense A/c Rs. 27
   d. Ramesh A/c Rs. 41 to Suspense A/c Rs. 41

91. The main object of “Not for profit” organisation is:
   a. Earning of profit
   b. Presentation of profit and loss a/c
   c. Serving the society
   d. Preparation of income and expenditure a/c

92. Liability of a drawer in case of bills discounted by him from the bank is:
   a. Total liability
   b. Partial liability
   c. Contingent liability
   d. No liability

93. Who is not an internal user of Financial Statement?
   a. Owners & Directors
   b. Investors & Creditors
   c. Employees & workers
   d. Management & staff

94. In Double Account System, share forfeited account is shown in:
   a. Credit side of Net Revenue A/c
   b. Credit side of Receipt & Expenditure on Capital A/c
   c. Liability side of General Balance Sheet
   d. Credit side of Replacement A/c

95. The main work which is included in accounting is:
   a. To record the business transaction in Journal
   b. Balancing of the account in Ledger
   c. Reparation of Financial Statements
   d. Identification of transaction.

96. The interest on drawing will be first made on:
   a. The Debit side of profit and loss a/c
   b. The credit side of profit and loss a/c
   c. The asset side of balance sheet
   d. The liability side of balance sheet

97. Ram a tailor uses clothes of Rs. 1000 from his business for his children. In which account will it be credited?
   a. Drawing A/c
   b. Raw material A/c
   c. Purchase A/c
   d. Trading A/c

98. Transfer of a bill to a third party is known as:
   a. Transfer
   b. Dishonour
   c. Sending of bill for collection
   d. Endorsement

99. Choose the correct entry
   “Cheques received from customer are not sent to the bank on the same day”
   a. Bank A/c To Customer A/c
   b. Cheque in hand a/c To customer a/c
   c. Customer a/c To cash a/c
   d. Customer a/c To bank a/c

100. “Provision for a pending law suit against the firm, which may either be decided in its favour.” It is an example of the application of the principle of:
   a. Material
   b. Full disclosure
   c. Conservatism
   d. Consistency.

Question Ends.