

- A. Sales account
- B. Furniture account
- C. Purchase account
- D. Cash account

13. Purchases from A for Rs. 10,000 not recorded. This error is discovered after concerned final accounts were prepared. The rectification entry is -

[1]

- A. A's A/c Dr. 10,000; To P & L Adj. A/c 10,000
- B. Purchase A/c Dr. 10,000; To A' A/c 10,000
- C. P & L Adj. A/c Dr. 10,000; To A 10,000
- D. No entry will be passed

14. Which of these errors affect two or more accounts?

[1]

- A. Errors of complete omission
- B. Errors of principle
- C. Errors of posting to wrong account
- D. All the three

15. Rs. 200 paid as wages for erecting a machine should be debited to

- A. Repair account.
- B. Machine account.
- C. Capital account
- D. Furniture account.

16. In case of individual ledger accounts were accurate in all respects but a trial balance did not tally, there may be-

- A. Wrong recording in books of original entry
- B. Wrong recording in journal proper but not posted at all
- C. Errors of posting involving the posting to wrong account on correct side with correct amount
- D. Omission of an account from Trial Balance

17. Which of the following errors will not affect the agreement of trial balance?

- A. Recording wrong amount in subsidiary book and in account of customer or creditor
- B. Errors of duplication
- C. Errors of complete omission
- D. All of the above

18. Sales for Rs 5,000 was entered as purchase. The effect of this error will be:

- A. G.P. will increase by Rs 5,000
- B. G.P. will decrease by Rs 5,000
- C. G.P. will decrease by Rs 10,000
- D. G.P. will increase by Rs 10,000

19. arise as a result of some act of omission on the part of the person responsible for the maintenance of books of account.

- A. Errors of commission

- B. Errors of omission
- C. Compensating Errors
- D. Errors of principle

20. The amount of the dishonoured bill has been wrongly debited to general expenses account, which type of error has been committed?

- A. Error of principle
- B. Error of commission
- C. Compensating error
- D. Error of omission

21. A debtor has directly deposited Rs. 350 in the bank account. In the BRS starting with pass book overdraft :

- A. Rs. 350 will be added to pass book overdraft
- B. Rs. 700 will be added to pass book overdraft
- C. This amount will be ignored
- D. Rs. 350 will be deducted from pass book overdraft

22. When overdraft as per Cash book is the starting point, a cheque of Rs 500 deposited into bank but not recorded in cash book will be :

- A. Added by Rs 500
- B. Deducted by Rs 500
- C. Added by Rs 1,000
- D. Deducted by Rs 1,000

23. Mr. Krishnaprasad a debtor deposited Rs. 300 cash directly in the bank account. In the BRS starting with pass book balance :

- A. Rs. 300 will be added to pass book balance
- B. Rs. 300 will be deducted from cash book balance
- C. this will be ignored as a contra entry
- D. Rs. 300 will be deducted from pass book balance.

24. Which one of these is not a cause of difference in balance as per pass book and as per cash book

- A. Errors in cash book
- B. Errors in pass book
- C. Cheques deposited and cleared
- D. Cheques issued but not presented for payment

25. The receipts side of the cash book was overcast by Rs. 1000. In the BRS, starting with cash book balance :

- A. Rs. 2000 will be added to cash book balance
- B. Rs 1000 will be deducted from cash book balance
- C. This will be ignored
- D. Rs. 1000 will be added to cash book balance

26. From the following particulars, calculate balance as per bank pass book showing the balance as per cash book on 31.12.2005 :

The following cheques were paid into bank in Decemehr, but were credited in January

1. Seema Rs. 3500, Sangita Rs. 2500, Sonia Rs. 2000

2. The following cheques were issued by the firm in Dec. but were presented in January :
Arti Rs. 4000, Sharati Rs. 4500

3. A cheque for Rs. 1000 which was received from a customer, was entered in the Bank column of the cash book in December but was omitted to be banked in December

4. The pass book shows a debit entry of Rs. 1000 for bank charges and credit entry of Rs.2000 for interest.

5. Interest on investment Rs. 2500 collected by bank appeared in the pass book

6. The bank balance as per pass book was Rs. 59270 on 31st December, 2005.

A. 58270

B. 58770

C. 55270

D. 56270

27. Unfavourable bank balance means:

A. Credit balance in Cash Book

B. Credit balance in Pass Book

C. Debit balance in Cash Book

D. Favourable balance in Cash Book

28. Bank has debited Rs. 150 for bank charges in the pass book. In the BRS, starting with cash book balance, this item will be :

A. added to cash book balance

B. deducted from cash book balance

C. ignored

D. deducted twice from cash book balance

29. Balance shown by Cash Book Rs 10,000 Cheques issued but not presented for payment Rs 4,000 Cheques deposited but not yet collected Rs 3,000 Balance as per Pass Book will be :

A. Rs 9,000

B. Rs 10,000

C. Rs 11,000

D. None

30. Cheques deposited amounting to Rs. 1000 remained uncollected. In the BRS starting with pass book overdraft :

A. This amount will be ignored.

B. Rs. 2000 will be added to pass book overdraft

C. Rs. 1000 will be added to pass book overdraft

D. Rs. 1000 will be deducted from pass book overdraft

31. A cheque for Rs. 8000 received from Hari was recorded properly in the cash book, but

it was not deposited in the bank by oversight. In the BRS, starting with cash book balance :

A. Rs. 8000 will be added to cash book balance

B. Rs. 8000 will be deducted from cash book balance

C. this will be ignored

D. Rs. 16000 will be added to cash book balance

32. When balance as per cash book is the starting point, cheques deposited but dishonoured are.....

A. Subtracted

B. Not required to be adjusted.

C. Added

D. None of above

33. Bank balance as per pass book (Cr.) Rs. 76,350. A comparison of pass book and cash book revealed the following:- Bank charges Rs. 600 was not entered in cash book.- Cheques amounting to Rs. 750 has been dishonoured but not recorded in cash book. Balance as per cash book will be

A. Rs. 75,000

B. Rs. 77,700

C. Rs. 76,500

D. Rs. 76,200

34. If we take balance as per Cash book, which of the following will be added to get balance as per pass book

A. Interest given by Bank

B. Interest charged by bank

C. Cheque deposited but not cleared

D. Payments made by the bank as per standing instructions

35. The cash book showed on overdraft of Rs. 3000 as cash at bank, but the pass book made up on the same date showed that cheques of Rs. 200, Rs. 100, and Rs. 250 respectively had not been presented for payments, and the cheque of Rs. 800 paid into account had not been cleared. The balance as per the pass book will be

A. Rs. 2,200

B. Rs. 4,350

C. Rs. 3,250

D. Rs. 2,750

36. Credit balance as per Cash Book Rs 10,000 Bank charged interest Rs 150 Cheques issued but not presented for payment Rs 2,500 Balance as per Pass Book will be :

A. Rs 7,650

B. Rs 12,350

C. Rs 12,650

D. None of these

37. The bank statement shows as overdrawn balance of Rs. 2000. A cheque for Rs. 500 drawn in favour of a creditor has not yet been presented for payment. When the creditor presents the cheque for payment, the bank balance will be

- A. Rs. 1,500
- B. Rs. 2,500
- C. Rs. 1,500 (overdrawn)
- D. Rs. 2,500 (overdrawn)

38. Mr. Shakti, who had just been granted an overdraft facility of Rs. 80000 by his bankers, reports a bank balance as per his pass book of Rs. 10000 (credit), as on 30.9.2005.

Scrutiny shows the following differences between the two records and you are asked to calculate balance as per bank pass book.

1. Two cheques of Rs. 3000 each were deposited with and cleared by the bankers in September itself, but in the cash book an entry for each was made on the credit side.
2. The bank had credited Rs. 1500 for interest and debited Rs. 25 for bank charges. The former was recorded in the Cash Book for Rs. 1000 only, while the latter for Rs. 52.
3. Cheques totaling Rs. 15000 were issued to creditors, but the bank had paid out cheques worth Rs. 6000 only.
4. The pass book alone showed a direct deposit of Rs. 4000 by a customer, Mr. Locke, and a club subscription of Rs. 400 paid by the banker's as per standing instructions.

- A. 21127 (OD)
- B. 15127 (OD)
- C. 18127 (OD)
- D. 15127

39. On 31st March, 2012 the pass book of Z showed a credit balance of Rs. 2,16,000. A comparison of pass book and cash book revealed the following:- Cheques deposited but not cleared by 31st March 1,08,150- Cheques issued by Z but not presented for payment before 1st April, 2012 26,000 Balance as per cash book will be

- A. Rs. 81,850
- B. Rs. 1,33,850
- C. Rs. 2,98,150
- D. Rs. 3,50,150

40. Bank has credited Rs. 250 for interest in the pass book. In the BRS, starting with cash book balance, this item will be :

- A. added to cash book balance
- B. deducted from cash book balance
- C. ignored
- D. added twice to cash book balance

41. Depreciation to be provided for each year = ?

- A. 16,666.67
- B. 14,817.45
- C. 6,371.50
- D. None of the above

42. A machine was purchased on 1st April, 2007 for Rs 5,00,000 and 1st October, 2007 for Rs 2,00,000. Calculate depreciation @ 20% p.a on written down value method for the year ending 31st March, 2008.

- A. Rs 1,00,000
- B. Rs 1,40,000
- C. Rs 40,000
- D. Rs 1,20,000

43. The W.D.V of an asset after three years of depreciation on the reducing balance method @ 10% p.a. is Rs 36,450. What was its Original value?

- A. Rs 40,000
- B. Rs 50,000
- C. Rs 45,000
- D. Rs 70,250

44. Mr. A purchased a car on 1.6.10 for Rs.5,60,000 and incurred Rs.25,000 for registration. He paid Rs.10,000 for insurance and Rs.1,500 for petrol. What amount should be debited to Car A/c.

- A. 5,60,000
- B. 5,96,000
- C. 5,95,000
- D. 5,85,000

45. Interest for the year ended 31st March, 2014=?

- A. 1,05,000
- B. 89,115
- C. 71,007
- D. 50,363

46. Books of Ekta, shows on 1st January 2012 furniture Rs.20,000. During the year a part of the furniture whose book value on 1st January 2012 is Rs.1200 has been exchanged with another furniture by paying additional Rs.500. Ekta charged depreciation @10% per annum on machine. The WDV for the year ended 31st march,2012 should be:

- A. Rs.18508
- B. Rs.20440
- C. Rs.18396
- D. Rs.18450

47. Depreciation is the fall in the..... of a fixed asset through physical wear and tear due to use or passage of time or from any other cause.

- A. Quality

- B. Value
- C. Either (a) or (b)
- D. None of the above

48. Undermethod depreciation is calculated on the basis of hours worked during the year by the machine.

- A. Inventory system of depreciation
- B. Machine hour rate method
- C. Sum of years digit method
- D. Depletion method

49. A machine is purchased for Rs. 80000. Expenses incurred for the cartage and installation Rs. 20000. The residual value at the end of its expected useful life of 4 years is estimated at Rs. 40000. Calculate the amount of depreciation for the first year ending on 31st March 2002, on SLM basis If the machined was purchased on 1st oct. 2001

- A. Rs. 7500
- B. Rs. 7650
- C. Rs. 3750
- D. 3900

50. In case of assets of small value or if the life of the asset cannot be accurately determined method of depreciation is applied.

- [1]
- A. Inventory system of depreciation
 - B. Machine hour rate
 - C. Sum of years digit
 - D. Depletion

51. Which of the following is/are cause for providing depreciation?

- [1]
- A. Physical wear and tear resulting from use
 - B. Physical deterioration resulting from atmospheric exposure
 - C. Passage of time
 - D. All of the above

52. S Ltd. acquired a machine on 1st January, 2010 at a cost of Rs. 1,40,000 and spent Rs. 10,000 on its installation. The firm writes off depreciation at 15% p.a. on WDV. The books are closed on 31st Decem-ber every year. After 3 years machine sold for 97,000 Profit/Loss on sale = ?

- A. Profit - Rs. 4,881
- B. Loss - Rs. 4,881
- C. Profit-Rs. 11,023
- D. Loss - Rs. 11,023

53. On April 01, 2004 the debit balance of the machinery account of A ltd was Rs. 5,67,000. The machine was purchased on April 01,

2002. The company charged depreciation at the rate of 10% per annum under diminishing balance method. On October 01, 2004, the company acquired a new machine at a cost of Rs. 60,000 and incurred Rs. 6,000 for installation of the new machine. The company decided to change the system of providing depreciation from the diminishing balance method to the straight line method with retrospective effect from April 01, 2002. The rate of depreciation will remain the same. The company decided to make necessary adjustments in respect of depreciation due to the change in the method in the year 2004-2005. Depreciation for the year 2004-05= _____

- A. Rs. 3,300
- B. Rs. 7,000
- C. Rs. 10,300
- D. Rs. 73,300

54. Original cost = Rs. 1,26,000. Salvage value = 6000. Depreciation for 2nd year @ 10% p.a. under WDV method =

- A. 10,800
- B. 11,340
- C. 15,000
- D. 14,000

55. Under which of following method depreciation is charged uniformly?

- [1]
- A. Straight line method (SLM)
 - B. Annuity method
 - C. Depreciation fund method
 - D. All of the above

56. Hi-Fi Ltd. acquired machinery on 1st January, 2012 at a cost of Rs. 36,000 and spent Rs. 4,000 for its installation. The firm writes off depreciation at 10% p.a. on WDV basis. The books are closed on 31st December. Closing balance of machinery account for 1st & 2nd year will be Rs.....&Rs.....

- A. 32,400,29,160
- B. 36,000,36,000
- C. 32,400,36,000
- D. 36,000,32,400

57. A purchased a computer on 1-4-06 for Rs.60,000 and another on 1-10-07 for Rs. 40,000. He charged depreciation @ 20% p.a under straight line method. What will be the balance as on 31-03-09

- A. Rs.40,000
- B. Rs.64,000
- C. Rs.52,000
- D. Rs.48,000

58. Balance of lease account for the year ended 31st March, 2012 = ?

- A. 6,36,537
- B. 3,59,733
- C. 1,91,633
- D. 5,07,189

59. Purchase price of scooter – Rs. 17000, expenses to be capitalized Rs. 3000, estimated residual value Rs. 2000, estimated useful life 10 years, the rate of depreciation on SLM basis -----

- A. 9%
- B. 8.82%
- C. 10%
- D. 15%

60. Amount set apart to meet losses due to bad debt is a

- A. provision
- B. reserve
- C. appropriation
- D. depreciation