# CA CPT Account Test Combine Topic

**Test ID :063** **Date : 14/09/2017 Time :01:55:00**

**Qn.1)** **Contingent Liabilities are shown :** [1]
A. As current liability B. As Capital fund C. As footnotes to balance sheet D. As Reserves

**Qn.2)** **Present liability of uncertain amount, which can be measured reliably by using a substantial degree of estimation is termed as _______.** [1]
A. Provision. B. Liability. C. Contingent liabilities. D. None of the above.

**Qn.3)** **In the case of __________ either outflow of resources to settle the obligation is not probable or the amount expected to be paid to settle the liability cannot be measured with sufficient reliability.** [1]
A. Liability. B. Provision. C. Contingent liabilities. D. Contingent assets.

**Qn.4)** **Contingent liability if becomes probable then it is___________.** [1]
A. Provided for in the books of A/c B. Provided in Director's report C. Shown in notes to accounts D. None of these.

**Qn.5)** **'Workmen Compensation under Dispute' is an example of:** [1]
A. Contingent Liability B. Contingent Asset C. Current Liability D. Current Asset

**Qn.6)** **Deferred Revenue Expenditure to the extent not written off is shown in the balance sheet under ___** [1]
A. Miscellaneous expenses B. Capital C. Current Liabilities D. Fixed Asset

**Qn.7)** **Income tax demand, disputed by a company is____________.** [1]
A. Contingent Liability B. Current Liability C. Long term Liability D. None of these.

**Qn.8)** **Liability for bill discounted is a ___** [1]
A. Short term liability B. Long term liability C. Current liability D. Contingent liability

**Qn.9)** **If an inflow of economic benefits is probable then a contingent asset is disclosed** [1]
A. In the financial statements B. In the report of the approving authority (Board of Directors in the case of a company, and the corresponding approving authority in the case of any other enterprise.) C. In the cash flow statement. D. None of the above

**Qn.10)** **If a reliable estimate of probable outflow of resources to settle a present obligation cannot be made, it is** [1]
A. To be recognised as a liability B. To be recognised as a provision C. To be disclosed as a contingent liability D. None of these

**Qn.11)** **Contingent asset is not recognized in the financial statements on the basis of_______ accounting concept:** [1]
A. Prudence B. Materiality C. Substance over form D. Going concern

**Qn.12)** **If a reliable estimate of probable outflow of resources to settle a present obligation can be made it is** [1]
A. To be recognised as a liability B. To be recognised as a provision C. To be disclosed as a contingent liability D. None of these

**Qn.13)** **Accounting errors may be in the form of and due to....................** [1]
A. Omitting the transactions to record B. Recording in wrong books C. Recording in wrong account or wrong to telling D. All of the above

**Qn.14)** **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

**Qn.15)** **A credit sale of Rs. 1,000 to Santhanam has been wrongly passed through the purchases book. Which of the following rectification entry is correct?** [1]

A.

| | |
|---|---|
| Suspense A/c Dr. | 2,000 |
| To Sales A/c | 1,000 |
| To Purchases A/c | 1,000 |

B.

| | |
|---|---|
| Purchases A/c Dr. | 2,000 |
| To Santhanam A/c | 2,000 |

C.

| | |
|---|---|
| Santhanam A/c Dr. | 2,000 |
| To Sales A/c | 1,000 |
| To Purchases A/c | 1,000 |

D.

| | |
|---|---|
| Sales A/c Dr. | 1,000 |
| Purchases A/c Dr. | 1,000 |
| To Santhanam A/c | 2,000 |

**Qn.16)** **A purchase of computer was debited to Office Expenditure Account. This is an error of:** [1]
A. Commission B. Omission C. Principle D. Compensatory

**Qn.17)** **Cheque received from Bina by Rs. 4000 was recorded in the cash column of the Cash Book, though on the correct side. The rectification will be done by** [1]
A. Passing a rectification entry in the Cash Book. B. Creating a Suspense A/c C. Passing a rectification entry in the Journal proper. D. None of the above.

**Qn.18)** **Which of the following errors will affect the trial balance?** [1]
A. Repairs to building wrongly debited to Building A/c B. Total of Purchase Journal by Rs. 1,000 short C. Freight paid on new machinery debited to Freight A/c D. None of the above

**Qn.19)** **The preparation of a trial balance is for** [1]
A. Locating errors of commission B. Locating errors of principle C. Locating clerical errors. D. All of the above

**Qn.20)** **Rs. 200 received from smith whose account, was written off as a bad debt should be credited to :** [1]
A. Bad debts recovered account B. Smith's account C. Cash account D. Bad debts account

**Qn.21)** **Sales for Rs 5,000 was entered as purchase. The effect of this error will be:** [1]
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

**Qn.22)** **A credit sale of Rs. 870 was wrongly posted as 780 to the customer's account in the sales ledger. If this error located after preparation of final account then which of the following rectification entry is correct?** [1]

A.

| | |
|---|---|
| Customer's A/c Dr. | 90 |
| To Suspense A/c | 90 |

B.

| | |
|---|---|
| Suspense A/c Dr. | 90 |

| | |
|---|---|
| To Customer's A/c | 90 |

C.

| | |
|---|---|
| Customer's A/c Dr. | 90 |
| To Profit & Loss Adj. A/c | 90 |

D.

| | |
|---|---|
| Profit & Loss Adj. A/c Dr. | 90 |
| To Customer's A/c | 90 |

**Qn.23)** **Rs 25,000 received form Aditi, is credited in the account of Prerna. It is an error of:** [1]
A. Principle B. Commission C. Omission D. Compensatory

**Qn.24)** **are the errors committed by persons responsible for recording and maintaining accounts of a business firm in the course of accounting process.** [1]
A. Marketing error B. Accounting errors C. Planning error D. All of the above

**Qn.25)** **Mr. I made up his annual accounts upto November. Stock take on 7th December was found to be worth Rs. 3,94,800 valued at cost. The rate of gross profit earned was 30% on sale price further : One item of stock costing Rs. 1875 was taken in the stock sheet as Rs. 875. While computing the closing stock to be brought into books –** [1]
A. Rs. 1000 will be deducted from Rs. 3,94,800 B. Rs. 1875 will be deducted from Rs. 3,94,800 C. Rs. 1875 will be deducted from Rs. 3,94,800 D. Rs. 1000 will be added to Rs. 3,94,800

**Qn.26)** [1]

| Date | Receipts | | | Issues | | | Balance | | |
|---|---|---|---|---|---|---|---|---|---|
| | Units | Price | Amount | Units | Price | Amount | Units | Price | Amount |
| 01.07.03 | 10 | 20.00 | 200 | - | - | - | 10 | - | - |
| 01.09.03 | 20 | 26.00 | 520 | - | - | - | 30 | - | - |
| 01.10.03 | - | - | - | 20 | - | - | 10 | - | - |
| 01.11.03 | 30 | 32.00 | 960 | - | - | - | 10<br>30 | - | - |
| 10.11.03 | - | - | - | 30 | - | - | 10 | - | - |

**Answer on the assumption that weighted average basis method is followed. The value of issues on 1.10.2003 is**
A. Rs. 480 B. Rs. 460 C. Rs. 430 D. Rs. 450

**Qn.27)** **A company has been using the LIFO cost method of inventory valuation for 15 years. In 2005, ending inventory was Rs. 15,000 but it would have been Rs. 26,000 if FIFO had been used, the company's net income before tax would have been** [1]
A. Rs. 11,000 less over the 15 years period B. Rs. 11,000 greater over the 15 years period C. Rs. 11,000 greater in 2005 D. Rs. 11,000 less in 2005

**Qn.28)** **E Ltd. Took stock on 31.03.2004, the last day of its accounting year. The stock was valued at Rs. 50000. Stock included goods received on consignment basis worth Rs. 2200. The average gross profit is 20% on sales. While computing the value at which the closing stock is to be brought in the books –** [1]
A. Rs. 2200 will be deducted from Rs. 50000 B. Rs. 1760 will be deducted from Rs. 50000 C. Rs. 2200 will be added to Rs. 50000 D. Rs. 2640 will be added to Rs. 50000

**Qn.29)** **The total cost of goods available for sale with a company during the current year is Rs. 12,00,000 and the total sales during the period are Rs. 13,00,000. If the gross profit margin of the company is 33 1/3% on cost, the closing inventory during the current year is** [1]

A. Rs. 400,000 B. Rs. 300,000 C. Rs. 225,000 D. Rs. 260,000

Qn.30) **If the closing stock is increased by Rs 5,000 and Gross Profit rate is 10%, then :** [1]
A. Gross Profit will be increased by Rs 5,000 B. Gross Profit will be decreased by Rs 5,000 C. Gross Profit will be increased by Rs 500 D. Gross Profit will be decreased by Rs 500.

Qn.31) **Consider the following data pertaining to H ltd for the month of March 2005** [1]

| Particulars | As on March 01, 2005 (Rs) | As on March 31, 2005 (Rs) |
|---|---|---|
| Stock | 1,80000 | 90,000 |

**The company made purchases amounting Rs. 3,30,000 on credit. During the month of March 2005 the company paid a sum of Rs. 3,50,000 to the suppliers. The goods are sold at 25% above the cost. The sales for the month of March 2005 were**

A. Rs. 412,500 B. Rs. 525,000 C. Rs. 90,000 D. Rs. 315,000

Qn.32) **A Company deals in 3 products X, Y and Z, which are neither similar nor interchangeable. At the time of closing of its account for the year 2005-06. The historical cost and net realisable value of the items of closing stock are determined as below:** [1]

| Items cost | Historical value | Net realisable |
|---|---|---|
| X | 20 | 14 |
| Y | 16 | 16 |
| Z | 8 | 12 |
| | 44 | 42 |

**What will be the value of closing stock?**
A. 44 B. 42 C. 38 D. none

Qn.33) **Consider the following data pertaining to R Ltd for the month of June 2004:** [1]

| Particulars | Rs |
|---|---:|
| Opening stock | 30,000 |
| Closing stock | 40,000 |
| Purchases | 5,60,000 |
| Returns outward | 15,000 |
| Returns inward | 20,000 |
| Carriage inward | 5,000 |

**If the Gross Profit is 20% of net sales, the gross sales for the month of June 2004 is**
A. Rs. 695,000 B. Rs. 675,000 C. Rs. 540,000 D. Rs. 668,750

Qn.34) **A company has given following data for the month of March 2004** [1]

| Opening Stock | 100 units @ Rs. 100 each |
|---|---|
| Purchases : | |
| March 4 | 200 units @ Rs. 120 each |

| | |
|---|---|
| **March 15** | **350 units @ Rs. 110 each** |
| **March 22** | **100 units @ Rs. 130 each** |
| **March 30** | **150 units @ Rs. 140 each** |

**On March 31, 2004 there were 300 units on hand.**
**The value of closing stock under FIFO is –**
A. Rs. 42000 B. Rs. 33000 C. Rs. 39500 D. Rs. 36000

**Qn.35)** **Mr. Vijay's financial year ends on 30th June 2004, but actual stock is not take until the following 8th July 2004, when it is ascertained at Rs. 7425.** [1]
**You find that :**
**1. Purchases are entered in the purchases day book as the invoices are received.**
**2. Purchases between 30th June 2004 and 8th July 2004 as per the purchases day book are Rs. 660 but of these goods amounting to Rs. 60 are not received until after the stock was taken.**
**3. Goods billed during June (before 30th June), but not received until after 30th June amounted to Rs. 500 of which Rs. 350 worth are received between 30th June 2004 and 8th July 2004**
**4. Rate of Gross profit is 331/3 on cost.**
**The value of stock on 30th June, 2004 was –**
A. Rs. 6975 B. Rs. 13425 C. Rs. 7265 D. Rs. 8600

**Qn.36)** **An overvaluation of current year's opening inventory will……..** [1]
A. Causes current year's net income to be overstated B. Causes previous year's net income to be understated C. Causes previous year's net income to be overstated D. Have no affect

**Qn.37)** **Opening stock of raw materials Rs. 1,00,000. Closing stock of Materials Rs. 2,00,000, Purchases Rs. 3,00,000, Carriage inward Rs. 10,000, Freight outward Rs. 5,000. Purchase returns Rs. 20,000, Opening work in progress Rs. 25,000, Closing work in progress Rs. 10,000. Manufacturing overheads Rs. 6,000, Selling overheads Rs. 10,000, Sale of By-products Rs. 1,000, Royalty based on production Rs. 5,000.** [1]
A. Rs. 220,000 B. Rs. 215,000 C. Rs. 235,000 D. None of these

**Qn.38)** **At the end of financial year, accounts receivable has a balance of Rs.1 lakh & provision for bad & doubtful debts provided amounting to Rs.7,000. The expected of net realisable value of A/c receivable is Rs. ___** [1]
A. 7,000 B. 1,07,000 C. 93,000 D. 1,00,000

**Qn.39)** **From the following information choose the most appropriate answer:** [1]

| **Opening capital** | **Investment by proprietor Rs.** | **Drawing Rs.** | **Capital at the end of the year Rs.** | **Net Profit (loss) Rs.** |
|---|---|---|---|---|
| **16,000** | **Nil** | **3,000** | **13,500** | **(1,000)** |

**the investment made by the proprietor during the year will be**
A. Rs. 1,500 B. Rs. 2,000 C. Rs. 1,200 D. Rs. 1,700

**Qn.40)** **Total Debtors on 31.12.2009 were Rs 48,000 before writing off bad-debts but after allowing discounts. During the year bad-debts amounted to Rs 2,000 and discount allowed were Rs 100. It is the firm's policy to maintain a provision of 5% against bad and doubtful debts. Find out the amount of provision for Bad and Doubtful debts as on 31.12.09 :** [1]
A. Rs 2100 B. Rs 2305 C. Rs 2300 D. Rs 2000

**Qn.41)** **................is the difference between the selling , price and the cost price of the goods sold.** [1]
A. Gross profit B. Gross loss C. (a) or (b) D. (a) and (b)

**Qn.42)** **Goods distributed as free sample should be recorded in the books at:** [1]
A. Cost price B. Market price C. Cost or market price, whichever is higher D. Cost or market price, whichever is lower

**Qn.43)** **The effect of Closing entries is the closure of** [1]
A. Personal Account B. Real Account C. Nominal Account D. All of the above

**Qn.44)** **Following information is available from the books of Mr. Z** [1]

| | |
|---|---|
| **Expenses paid during the year** | **1,35,000** |
| **Expenses Outstanding on 1.4.2011** | **12,250** |
| **Expenses Prepaid 1.4.2011** | **15,000** |
| **Expenses Outstanding 31.3.2012** | **17,000** |
| **Expenses prepaid on 31.3.2012** | **16,750** |

**Net expenses debited to profit & loss account for the year ended 31.3.2012should be.........**
A. Rs. 1,96,000 B. Rs. 1,37,500 C. Rs. 1,32,000 D. Rs. 1,38,000

**Qn.45)** **Opening stock - Rs. 40,000, Purchases - Rs. 2,60,000, Closing stock - Rs. 20,000, Direct expenses - Rs. 50,000 Indirect expenses - Rs. 35,000. Cost of goods sold =?** [1]
A. Rs. 3,30,000 B. Rs. 2,80,000 C. Rs. 3,85,000 D. Rs. 3,20,000

**Qn.46)** **Mr. A Sold Goods for Rs.50,000 which includes a sale to a customer for Rs.5,500 at cost + 10%, but these goods were still in godown at the risk of buyer. The Total Sales to be recorded is ___** [1]
A. Rs.50,000 B. Rs.50,500 C. Rs.49,450 D. Rs.49,400

**Qn.47)** **If sales are Rs. 2,000 and the rate of gross profit on cost of goods sold is 25%, then the cost of goods sold will be** [1]
A. Rs. 2,000 B. Rs. 1,500 C. Rs. 1,600 D. None of the above

**Qn.48)** **Trading Account is closed by transferring its balance to the:** [1]
A. Capital A/c B. Profit and loss A/c C. Manufacturing A/c D. None of these

**Qn.49)** **If no del – credere commission is paid to the consignee, ------- account will be debited to credit sale :** [1]
A. Consignment account B. Consignee account C. Consignor account D. Consignment debtors account

**Qn.50)** **Goods costing Rs. 1,80,000 sent out to consignee to show a profit of 20% on Invoice price. Invoice price of the goods will be:** [1]
A. Rs.2,16,000 B. Rs.2,25,000 C. Rs.2,10,000 D. None

**Qn.51)** **X consigned 500 boxes of cherry costing Rs. 500 per box to Y. He incurred Rs. 5500 toward transportation and insurance. Y paid Rs. 1000 as transportation from port to his godown, Rs. 300 godown insurance, Rs. 200 godown rent and Rs. 1000 as salesman commission. Due to weather conditions 50 boxes were totally spoiled in transit which is considered a normal loss. Find the value of closing stock if Y sold 400 boxes @ Rs. 600 per box.** [1]
A. Rs.26,550 B. Rs.21,899 C. Rs.28,500 D. Rs. 23,210

**Qn.52)** **In case of credit sales, special commission payable to the consignee for taking over risk of bad debts is called as** [1]
A. over-riding commission B. ordinary commission C. del-credere commission D. All of these

**Qn.53)** **A sends 1,000 units @ Rs. 56 to be sold on consignment basis. Consignor expenses amounted to Rs. 1,000. 50 units were loss in transit. Find the new price per unit. (Loss is unavoidable)** [1]
A. Rs. 50 per unit B. Rs. 60 per unit C. Rs. 58.95 per unit D. Rs. 57 per unit

**Qn.54)** **Stock reserve is created to adjust** [1]
A. Gross profit B. Value of closing stock to cost C. Valuation of abnormal loss D. Valuation of closing stock to market price

**Qn.55)** **X of Kolkata sends out goods costing 100,000 to Y of Mumbai at cost + 25%. Consignor's expenses Rs. 2000. 3/5th of the goods were sold by consignee at 85000. Commission 2% on sales + 20% of gross sales less all commission exceeds invoice value. Amount of commission will be** [1]
A. Rs.3083 B. Rs.3000 C. Rs.2500 D. Rs. 2,000

**Qn.56)** **The owner of the consignment stock is** [1]
A. Consignor B. Consignee C. Debtors D. None

**Qn.57)** **Commission will be shared between:** [1]
A. Consignor & Consignee B. Only Consignee C. Only Consignor D. Third Party

**Qn.58)** **The consignment accounting is made on the following basis:** [1]
A. Accrual B. Realisation C. Cash Basis D. None

**Qn.59)** **Goods sent on consignment Rs. 7,60,000. Opening consignment stock Rs. 48,000. Cash sales Rs. 7,00,000. Consignor's expenses Rs. 20,000. Consignee's expenses Rs. 12,000,Commission Rs. 20,000. Closing consignment stock Rs. 3,00,000 The profit on consignment is:** [1]
A. Rs.1,50,000 B. Rs.1,40,000 C. Rs. 92,000 D. None

**Qn.60)** **Account Sales indicates:** [1]
A. The net amount due from consignor to consignee by way of commission B. The net amount due from consignee to consignor C. Net sales effected by consignee D. None of these

**Qn.61)** **A and B were partners in a joint venture sharing profits and losses in the proportion of 4/5th and 1/5th respectively. A supplies goods to the value of Rs. 50,000 and incurs expenses amounting to Rs. 5400. B supplies goods to the value of Rs. 14000 and his expense amount to Rs. 800. B sells goods on behalf of the joint venture and realizes Rs. 92,000. B is entitled to a commission of 5 percent on sales. B settles his account by bank draft. What will be the profit on venture?** [1]
A. Rs. 17,200 B. Rs. 17,000 C. Rs. 18,000 D. Rs. 18,200

**Qn.62)** **For material supplied from own stock of any of the Co-venture, the correct journal entry will be:** [1]
A. Joint Venture A/c Dr.
To Venturer's Capital A/c B. Joint Venture A/c Dr.
To Joint Bank A/c C. Joint Venture A/c Dr.
To Materials A/c D. Joint Bank A/c Dr.
To Joint Venture A/c

**Qn.63)** **A and B enter into a joint venture sharing profit and losses in the ratio 3:2. A purchased goods costing Rs. 200,000. B sold 95% goods for Rs. 2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. Remaining goods are stolen. What will be the final remittance?** [1]
A. B will remit Rs. 2,15,300 to A B. B will remit Rs. 2,23,300 to A C. B will remit Rs. 2,06,200 to A D. B will remit Rs. 2,18,700 to A

**Qn.64)** **A and B entered into joint venture. A supplied goods worth Rs. 7,000 and incurred expenses of Rs. 300. B sold the goods for Rs. 10,000 and incurred expenses of Rs. 500. What is the amount of final remittance?** [1]
A. Rs. 8,400 B. Rs. 7,900 C. Rs. 8,900 D. None of these

**Qn.65)** **Which of the following methods of valuation of closing stock is followed in joint venture accounting?** [1]
A. Net realizable value B. Cost price C. Least of cost or Net realizable value D. None of these

**Qn.66)** **For material supplied from own stock by any of the venturer, the correct journal entry will be (In case of separate sets of books)** [1]
A. Joint Venture A/c will be debited and Venturers Capital A/c will be credited B. Joint Venture A/c will be debited and Joint Bank A/c will be credited C. Joint Venture A/c will be debited and Material A/c will be credited D. Joint Bank A/c will be debited and Joint Venture A/c will be credited

**Qn.67)** **A and B entered into a joint venture. They opened a joint bank account by contributing Rs. 200000 each. The expenses incurred on venture are exactly equal to Rs. 2,00,000. Once the work is completed, contract money received by cheque Rs. 4,00,000 and in shares Rs. 50,000. The shares are sold for Rs. 40,000. What will be the profit on venture?** [1]
A. Rs. 250,000 B. Rs. 240,000 C. Rs. 440,000 D. Rs. 450,000

**Qn.68)** **In a Joint venture A contributes Rs. 5000 and B contributes Rs. 10,000. Goods are purchased for Rs. 11200. Expenses amount to Rs. 800. Sales amount to Rs. 14000. The remaining goods were taken by B at an agree price of Rs. 400. A and B share profit and losses in the ratio of 1:2 respectively. As a final settlement, how much A will receive?** [1]
A. Rs.5800 B. Rs.6000 C. Rs.5000 D. Rs.10,800

**Qn.69)** **A and B were partners in a joint venture sharing profit and losses in the proportion of 3/5th and 2/5th respectively. A supplies goods to the value of Rs. 60000 and incurs expenses amounting Rs. 6000. B supplies goods to the value of Rs. 16,000 and his expenses amount to Rs. 3000. B sells goods on behalf of the joint venture and realizes Rs. 120000. B entitled to a commission of 5% on sales. B settles his account by bank draft. How much amount, B will pay to A as final settlement?** [1]

A. Rs. 83,400 B. Rs. 93,200 C. Rs. 80,000 D. Rs. 66,000

**Qn.70)** **A and B enter into a venture sharing profit and losses in the ratio 2:3. Goods purchased by A for Rs. 45,000. Expenses incurred by A Rs. 13500 and by B Rs. 5200. B sold the goods for Rs. 85,000. Remaining stock taken over by B at Rs. 7200. What will be the final remittance to be made by B to A:** [1]
A. Rs. 69,900 B. Rs. 11,400 C. Rs. 17,100 D. Rs. 7,200

**Qn.71)** **A and V enter into a joint venture to sell a consignment of biscuits sharing profits and losses equally. A provides biscuits from stock Rs. 10000. He pays expenses amounting to Rs. 1000. V incurs further expenses on carriage Rs. 1000. He receives cash for sales Rs. 15000. He also takes over goods to the value of Rs. 2000. What will be the amount to be remitted by V to A?** [1]
A. Rs. 13,500 B. Rs. 15,000 C. Rs. 11,000 D. Rs. 10,000

**Qn.72)** **A purchased goods costing Rs. 2,00,000. B sold the goods for Rs. 2,80,000. Unused material costing Rs. 10,000 taken over by A at Rs. 8000. A is entitled to get 1% commission on purchase. B is entitled to get 2% commission on sales. Profit sharing ratio equal. A's share of profit on venture will be:** [1]
A. Rs. 40,000 B. Rs. 40,400 C. Rs. 40,600 D. Rs. 40,200

**Qn.73)** **A draws bill on B for Rs. 30,000. A wants to endorse it to C in settlement of Rs. 35,000 at 2% discount with the help of B's acceptance and balance in cash. How much cash A will pay to C?** [1]
A. 4300 B. 4000 C. 4100 D. 5000

**Qn.74)** **On 18.02.05 A draw a bill on B for Rs. 10,000. B accepted the bill on 21.02.05. The bill is drawn for 30 days after sight. The due date of the bill will be:** [1]
A. 24.3.05 B. 22.3.05 C. 26.3.05 D. 21.3.05

**Qn.75)** **Till the discounted bill is paid by the acceptor, it remains** [1]
A. a contingent liability B. a liability C. an expense D. an asset

**Qn.76)** **Mr. A draws a bill on Mr. Y for Rs. 30,000 on 1.1.06 for 3 months. On 4.2.06 X got the bill discounted at 12% rate. The amount of discount will be:** [1]
A. 900 B. 600 C. 300 D. 650

**Qn.77)** **The promissory note should be signed by:** [1]
A. Drawer B. Drawee C. Payee D. Promiser

**Qn.78)** **Kumar draws a bill on Rajat for Rs.50,000 and they agree to share the proceeds in the ratio of 3:2. Kumar got it discounted for Rs. 47,500. What will be the amount remitted to Rajat by Kumar** [1]
A. 28,500 B. 19,000 C. 30,000 D. 20,000

**Qn.79)** **On 1.6.05 X drew a bill on Y for Rs. 25,000. At maturity Y request X to accept Rs. 5000 in cash and noting charges incurred Rs. 100 and for the balance X drew a bill on Y for 2 months at 12% p.a. Interest amount will be:** [1]
A. 410 B. 420 C. 440 D. 400

**Qn.80)** **A bill drawn and accepted on 23rd Oct. 2005, for three months will be due for payment on __________** [1]
A. 26th Jan. 2006 B. 23rd. Jan. 2006 C. 25th Jan. 2006 D. 27th. Jan. 2006

**Qn.81)** **Which of the following accounts is debited in the books of the drawee when the endorsed bill is honoured on due date?** [1]
A. Endorsee's account B. Bills receivable account C. Bills payable account D.

**Qn.82)** **Which of these is not an essential requirement of a bill of exchange?** [1]
A. Acceptance B. Payable to bearer C. Crossing D. Grace period

**Qn.83)** **X draws a bill on Y for Rs. 20,000 for 3 months on 1.1.05. The bill is discounted with banker at a charge of Rs. 100. At maturity the bill return dishonoured. In the books of X, for dishonour, the bank account will be credited by:** [1]
A. 19,900 B. 20,000 C. 20,100 D. 19,800

**Qn.84)** **X's acceptance to Y for Rs. 1,50,000 renewed at 3 months on the condition that Rs. 75,000 be paid in cash immediately and the remaining amount will carry interest @ 12% pa. The amount of interest will be** [1]

A. Rs. 2,250 B. Rs. 2,000 C. Rs. 2,300 D. Rs. 2,400

**Qn.85)** **On 1.12.05 A sent some goods costing Rs. 3500 at a profit of 25% on sales to B on sales or returns basis. On 3.12.05, B returned goods costing Rs. 800. At the end of the accounting year i.e. on 31.12.05, the remaining goods were neither returned nor approved by B. A records goods on approval as normal sales. On 31.12.05, for goods sent but not yet approved, in the books of A** [1]

A.

| No. | Particulars | Dr. Rs. | Cr. Rs. |
|---|---|---|---|
| 1. | Sales Dr.<br>To Debtors | 4667 | <br>4667 |

B.

| No. | Particulars | Dr. Rs. | Cr. Rs. |
|---|---|---|---|
| 1. | Sales Dr.<br>To Debtors | 3600 | <br>3600 |

C.

| No. | Particulars | Dr. Rs. | Cr. Rs. |
|---|---|---|---|
| 1. | Sales Dr.<br>To Debtors | 3500 | <br>3500 |

D.

| No. | Particulars | Dr. Rs. | Cr. Rs. |
|---|---|---|---|
| 1. | Sales Dr.<br>To Debtors | 4375 | <br>4375 |

**Qn.86)** **Under sales or return or approval basis, the ownership of goods is passed only** [1]

A. When the retailer gives his approval B. If the goods are not returned within specified period. C. Both 1 and 2 D. None of the above

**Qn.87)** **On 1.12.05 A sent some goods costing Rs. 3500 at a profit of 25% on sales to B on sales or returns basis. On 3.12.05, B returned goods costing Rs. 800. At the end of the accounting year i.e. on 31.12.05, the remaining goods were neither returned nor approved by B. A records goods on approval as normal sales. On 31.12.05, for goods sent but not yet approved and lying with B, in the books of A** [1]

A.

| No. | Particulars | Dr. Rs. | |
|---|---|---|---|
| 1. | Closing stock Dr.<br>To Trading A/c | 2700 | <br>2700 |

B.

| No. | Particulars | Dr. Rs. | |
|---|---|---|---|
| 1. | Stock Appoval Dr.<br>To Trading A/c | 3500 | <br>3500 |

C.

| No. | Particulars | Dr. Rs. | |
|---|---|---|---|
| 1. | Stock Appoval Dr.<br>To Trading A/c | 2700 | <br>2700 |

D.

| No. | Particulars | Dr. Rs. | |
|---|---|---|---|
| 1. | Trading A/c Dr.<br>To Stock Appoval | 2700 | <br>2700 |

**Qn.88)** **Closing stock was physically verified on 31st March, 2006 and was valued at Rs. 200000. Goods are normally sold at a profit of 25% on cost. On 21st March, 2006 goods having sale value of Rs. 100000 were sent on sale or return basis to a customer. The period of approval was two weeks. Indicate the value of the closing stock to be taken to the balance sheet as on 31.3.2006 if the customer returned 20% of the goods, approved 80% of the remaining goods on 31st March, 2006** [1]

A. Rs 216000 B. Rs. 212800 C. Rs. 200000 D. Rs. 228800

**Qn.89)** **What is the objective behind selling goods on approval basis:** [1]

A. For introducing a new product is the market B. For pushing up sales C. To capture a larger share in the market D. All of these

**Qn.90)** **A sent some goods costing Rs. 3,500 at a profit of 25% on sale to B on sale or return basis. B returned goods costing Rs. 800. At the end of the accounting period i.e. on 31st December, 2005. The remaining goods neither returned nor were approved by him. The stock on approval will be shown in the balance sheet at Rs** [1]

A. 2,000 B. 2,700 C. 2,700 less 25% of 2,700 D. 3,500

**Qn.91)** **Mr. X send the goods costing Rs.55,000 to Mr. Y on approval basis. Goods costing Rs.5,000 were damaged during transit. X claims Rs.3,000 from insurance company. Then cost of goods sent on approval to Y will be:** [1]

A. Rs.57,000 B. Rs.53,000 C. Rs.52,000 D. Rs.50,000

**Qn.92)** **When the goods are returned by the customers within the specified time, they are recorded** [1]

A. Initially in the Sale or Return Ledger. Thereafter, in the Sale or Return Day Book B. Initially in the Sale or Return Day Book. Thereafter, in the Sale or Return Ledger. C. Only in the Sale or Return Day Book D. Only in the Sale or Return Ledger

**Qn.93)** **Umesh sends goods on approval basis as follows The stock of goods sent on approval basis on 31st January will be:** [1]

| **Date** | **Customer's Name** | **Sale price of** | **Goods Accepted** | **Goods Returned** |
|---|---|---|---|---|
| **Jan-06** | | **Goods sent Rs.** | **Rs.** | **Rs.** |
| **8** | **Anna** | **3,500** | **3,000** | **500** |
| **10** | **Babu** | **2,800** | **2,800** | **-** |
| **15** | **Chandra** | **3,680** | **-** | **3680** |
| **22** | **Desai** | **1,260** | **1,000** | **260** |

A. Rs. 500 B. Nil C. Rs. 260 D. None of the above

**Qn.94)** **On 31st Dec. 2004 goods sold at a sale of Rs. 3000 were lying with customer, Ritu to whom these goods were sold on 'sale or returns basis' and recorded as actual sales. No consent has been received from Ritu. Goods were sent to on approval at a profit of cost plus 20%. Present market price is 10% less than cost price.** [1]

A. will be shown in the balance sheet of Ritu as Rs. 3000. B. will be included at Rs. 3000 in the balance sheet of the consignor. C. will be included at Rs. 2500 in the balance sheet of the consigner. D. will be included at Rs. 2250 in the balance sheet of the consigner.

**Qn.95)** **On 1.12.05 A sent some goods costing Rs. 3500 at a profit of 25% on sales to B on sales or returns basis. On 3.12.05, B returned goods costing Rs. 800. At the end of the accounting year i.e. on 31.12.05, the remaining goods were neither returned nor approved by B. A records goods on approval as normal sales. On 31/12/05, for goods sent but not yet approved and lying with B, in the** [1]

**balance sheet of A**
A. Rs. 2700 will be added to closing stock B. Rs. 3500 will be added to closing stock C. Rs. 2700 will be deducted from closing stock D. Rs. 3500 will be deducted from closing stock

**Qn.96)** **Under Sales on Return or approval basis when the transactions are few and the customer accepts the goods, the accounting treatment will be-** [1]
A. No journal entry B. Entry in Sales or Return Journal C. Entry in Sales or Return Day Book D. Sundry Debtors A/c Dr To Sales A/c