

## CA Foundation Account Test Final Account

Test ID :044

Date : 04/07/2019 Time :01:00:00

Qn.1) While preparing final account, to record commissions payable to manager - which of the following adjustment entry will be passed? [1]

A.

Profit & Loss A/c Dr.
To Commission Payable A/c

B.

Commission Payable A/c	Dr.
To Profit & Loss A/c	

C.

Manager a/c Dr.
To Commission Payable A/c

D.

Profit & Loss A/c Dr.
To Manager a/c

Qn.2) While preparing final account, to record bad debts which of the following adjustment entry will be passed? [1]

A.

Debtors A/c	Dr.
To Bad Debts A/c	

B.

Bad Debts A/c	Dr.
To Debtors A/c	

C.

Bad Debts A/c	Dr.
To Profit & Loss A/c	

D.

Debtors A/c	Dr.
To Provision For Bad Debts	

Qn.3) 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.4) Under-statement of closing work in progress in the period will** [1]  
 A. Understate cost of goods manufactured in that period.  
 B. Overstate current assets.  
 C. Overstate gross profit from sales in that period.  
 D. Understate net income in that period.

- Qn.5) Provision for doubtful debts is Rs.1000 & debtors are Rs.90,000 at end of year, provision for doubtful debt 1% required, then the entry** [1]  
 A. P & L A/c Dr  
     To provision for doubtful debts 900  
 B. Provision for doubtful debts 900  
     To P & C A/c 900  
 C. P & L A/c Dr 100  
     To RDD A/c 100  
 D. none of these

- Qn.6) Bad debts Rs 3,000 Provision for bad debts Rs 3,500 It is desired to make a provision of Rs 4,000 at the end of the year. The amount debited to P & L A/c is:** [1]  
 A. Rs 4,000  
 B. Rs 5,000  
 C. Rs 6,500  
 D. Rs 3,500

- Qn.7) Bad debt recovered of Rs 2000 which were previously written off as bad debt will be credited to \_\_\_\_\_ A/c** [1]  
 A. Bad Debt A/c  
 B. Debtor A/c  
 C. Bad debt recovered A/c  
 D. Suspense A/c

- Qn.8) If Closing Stock appears in the Trial Balance then it appears in :** [1]  
 A. Trading account  
 B. Profit and Loss account  
 C. Balance Sheet  
 D. Profit and loss appropriation

- Qn.9) 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	?

The net profit will be

- A. Rs. 600  
 B. Rs. 500  
 C. Rs. 550  
 D. Rs. 700

- Qn.10) While preparing final account, to make provision for bad debts which of the following adjustment entry will be passed?** [1]

A.

Debtors A/c	Dr.
To Profit & Loss A/c	

B.

Provision For Bad Debts A/c	Dr.
TO Debtors A/c	

C.	
Provision For Bad Debts A/c	Dr.
To Trading A/c	

D.	
Profit & Loss A/c	Dr.
To Provision For Bad Debts A/c	

**Qn.11) While preparing final account, to record outstanding income which of the following adjustment entry will be passed? [1]**

A.	
Income A/c	Dr.
To Outstanding Income A/c	

B.	
Outstanding Expenses A/c	Dr.
To Income A/c	

C.	
Profit & Loss A/c	Dr.
To Outstanding Income A/c	

D.	
Outstanding Income A/c	Dr.
To Income A/c	

**Qn.12) Selling and distribution expenses does not comprise of: [1]**

- A. Godown Rent
- B. Bad Debts
- C. Insurance for Stock of Finished Goods
- D. Carriage Inward

**Qn.13) If sales is Rs. 2,00,000 and the rate of gross profit on cost of goods sold is 25%, then the cost of goods sold will be..... [1]**

- A. Rs. 2,00,000
- B. Rs. 1,50,000
- C. Rs. 1,60,000
- D. Rs. 1,40,000

**Qn.14) If gross profit ratio is 50% on cost, it is ... % on sales. [1]**

- A. 33.33%
- B. 20%
- C. 25%
- D. 50%

**Qn.15) If goods have been withdrawn by the proprietor for personal use and no entry has been passed during the year, which of the following adjustment entry should be passed at the time of preparing final account? [1]**

A.	

Drawings A/c	Dr.
To Profit & Loss A/c	

B.

Capital	A/c
Dr.	
To Drawings A/c	

C.

Drawings A/c	Dr.
To Capital A/c	

D.

Profit & Loss A/c	Dr.
To Drawings A/c	

Qn.16) X is a manager of a proprietary concern. He is drawing monthly salary of Rs.10000 p.m. In addition he is entitled to a commission @ 8% on net profit after charging his total remuneration. Profit after charging salary, but before charging commission is Rs. [1]

- A. Rs. 25,000
- B. Rs. 145,000
- C. Rs. 27,000
- D. Rs. 147,000

Qn.17) Baba's Balance sheet as at 31st March, 2008 shows Rs 6,800 as rent payable. His cash book shows total payment towards Rent Rs 50,000 during the year ending 31st March 2009 Rent payable as at 31st March, 2009 is Rs 5000. Which of the following amount should go to his Profit & Loss A/c as rent. [1]

- A. Rs 61,800
- B. Rs 48,200
- C. Rs 55,000
- D. Rs 6,800

Qn.18) On the basis of following information calculate the amount will appear the item 'stationery used' in profit and loss account for the year ending 31st March, 2012: [1]

	Rs.
Stock of stationery on 1st April, 2011	12,000
Creditors for stationery on 1st April, 2011	25,600
Amount paid for stationery during the year ended 31st March, 2012	1,40,000
Stock of stationery on 31st March, 2012	23,200
Creditors for stationery on 31st March, 2012	24,000

- A. Rs. 1,27,200
- B. Rs. 1,38,400
- C. Rs. 1,49,600
- D. 1,38,600

Qn.19) Sundry debtors of M/S Santosh amounts to Rs 25,000 and Bad debts Rs 3,000 They provide for doubtful debts @ 2% and for discount @ 1%. The amount of net debtors to be shown in the balance [1]

sheet will be:

- A. Rs 21,560
- B. Rs 22,000
- C. Rs 21,780
- D. Rs 21,344

- Qn.20) Opening Stock Rs 5,000 Purchases Rs 15,000 Direct expenses Rs 2,000 Closing Stock Rs 2,500 Cost of goods sold = ?** [1]
- A. Rs 20,000
  - B. Rs 19,500
  - C. Rs 21,500
  - D. Rs 22,000
- Qn.21) .....are those entries which are passed at the end of each accounting period for the purpose of adjusting various nominal and other accounts so that true net profit or loss is indicated in profit and loss account and the balance sheet may represent a true and fair view of the financial conditions of an enterprise.** [1]
- A. Opening entries
  - B. Adjustment entries
  - C. Closing entries
  - D. None of the above
- Qn.22) The provision for bad debts is made by crediting :** [1]
- A. Trading A/c
  - B. Profit & Loss Account
  - C. Debtors Account
  - D. Provision for bad debts account
- Qn.23) Goods given as charity credited to \_ account** [1]
- A. charity
  - B. purchases
  - C. drawings
  - D. sales
- Qn.24) Cost of goods sold Rs.10,000, Opening stock Rs.2,000 and Closing stock Rs. 3,000. Find the amount of purchases \_\_\_\_** [1]
- A. Rs.10,000
  - B. Rs.11,000
  - C. Rs.15,000
  - D. Rs.9,000
- Qn.25) C's Trial Balance provides you the following information. : Bad debts Rs. 800, Provision for Doubtful debts Rs. 2000. It is desired to maintain a Provision for Doubtful debts of Rs. 1,000. The accounting treatment of these adjustment is** [1]
- A. Rs. 1800 to be debited to the Profit and Loss Account
  - B. Rs. 200 to be credited to the Profit and Loss Account
  - C. Rs. 200 to be debited to the Profit and Loss Account
  - D. Rs. 4200 to be debited to the Profit and Loss Account
- Qn.26) According to Companies Act 1956 Balance Sheet is prepared as per** [1]
- A. Part II schedule VI
  - B. Part I schedule VI
  - C. Part II schedule VII
  - D. Part I schedule VII
- Qn.27) The manufacturing account is prepared:** [1]
- A. To ascertain the profit or loss on the goods produced
  - B. To ascertain the cost of the manufactured goods
  - C. To show the sale proceeds from the goods produced during the year
  - D. both 2 and 3
- Qn.28) According to the decision of Garner Vs Murray insolvent partner's capital deficiency is to be borne** [1]

by solvent partner

- A. equally
- B. according to profit sharing ratio
- C. according to capital ratio
- D.

**Qn.29) While preparing final account, to record outstanding expenses which of the following adjustment entry will be passed? [1]**

A.

Expenses A/c	Dr.
To Outstanding a/c	

B.

Outstanding Expenses A/c	Dr.
To Expenses A/c	

C.

Profit & Loss	Dr.
To Outstanding Expenses A/c	

D.

Outstanding Expenses A/c	Dr.
To Profit & Loss A/c	

**Qn.30) .....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.31) Incoming partner paying for goodwill is to be shared by old partners according to [1]**

- A. profit sharing ratio
- B. sacrificing ratio
- C. capital ratio
- D.

**Qn.32) Net profit before charging commission to General & Sales manager - Rs. 1,65,920The General Manager is entitled to commission of 10% on net profit after charging such commission and commission of Sales Manager.The Sales Manager is entitled to commission of 5% on net profit after charging such commission and commission of General Manager.Commission payable to General Manager - Rs .....& Sales Manager - Rs..... [1]**

- A. 7,214 & 14,428
- B. 14,428 & 7,214
- C. 16,592 & 8,296
- D. 8,296 & 16,592

**Qn.33) [1]**

Particulars	Rs
Opening balance on proprietors A/c	3,20,000
Net loss for the year	42,000
Closing balance	2,50,000

Additional capital brought in	1,00,000
Drawing for the year is	?

- A. Rs. 1,12,000  
 B. Rs. 1,28,000  
 C. Rs. 6,12,000  
 D. Rs. 2,12,000

**Qn.34) X and Y are sharing profit in the ratio of 2:1. They admit Z into the firm with 25% share in profits for which he bring Rs. 12,000 as his share of capital. Hence the adjusted capital of Y will be [1]**

- A. Rs. 12,000  
 B. Rs. 16,000  
 C. Rs. 24,000  
 D.

**Qn.35) There was a stock of Rs 5,500 out of which stock of Rs 500 was burnt due to fire and was disposed off for Rs 200. Remaining goods were sold at 25% above cost price. Find net profit. [1]**

- A. Rs 6,250  
 B. Rs 7,200  
 C. Rs 6,575  
 D. Rs 950

**Qn.36) \_\_\_\_\_ is a summary of all assets and liabilities on a particular date. [1]**

- A. Trial Balance  
 B. Profit and Loss Account  
 C. Balance Sheet  
 D. Funds Flow Statement

**Qn.37) Prepaid expenses of Rs.1000/- shown in the trial balance will appear in \_\_\_\_ [1]**

- A. Liabilities side of balance sheet  
 B. Dr. Side of P & L A/c  
 C. Dr. Side of P & L Appropriation A/c  
 D. Assets side of Balance Sheet.

**Qn.38) On 31st March, 2009 Ram has loan of Rs 50,000 and trade creditors of Rs 80,000, Fixed assets of Rs 72,000, Stock Rs 90,000 and cash in hand Rs 60,000. If he had started business on April 1, 2008 with capital of Rs 50,000. Compute profit earned by Ram for [1]**

- A. Rs 92,000  
 B. Rs 42,000  
 C. Rs 1,72,000  
 D. Rs 52,000

**Qn.39) For calculation of current ratio which of the following is relevant: [1]**

- A. Current Assets Fixed Liabilities  
 B. Current Assets Current Liabilities  
 C. Fixed Asset Fixed Liabilities  
 D. Fixed Liabilities Current Liabilities.

**Qn.40) Sales = Rs 11,000, G.P. = 1/10th on cost closing stock before these Adjustments Rs 1,00,000 closing stock after adjustment of sales will be- [1]**

- A. Rs 1,10,000  
 B. Rs 90,000  
 C. Rs 89,000  
 D. None

**Qn.41) From the following particulars, calculate the amount of income to be credited to profit and loss account for the year ended 31st March, 2012: [1]**

	31.3.2011	31.3.2012
Outstanding income	1,500	1,200

Income received in advance	900	540
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A sum of Rs. 14,670 was received as income during the year 31 st March ,

2012.

- A. 15,930
- B. 14,010
- C. 15,330
- D. 14,730

- Qn.42) Sales are equal to** [1]
- A. Cost of goods sold – Gross profit
  - B. Cost of goods sold + Gross profit
  - C. Gross profit – Cost of goods sold
  - D. Cost of goods sold + Net profit
- Qn.43) Final accounts include preparation of.....** [1]
- A. Trading A/c
  - B. Profit & Loss A/c
  - C. Balance Sheet
  - D. All of the above
- Qn.44) A new firm commenced business on 1<sup>st</sup> January 2006 and purchased goods costing Rs. 90,000 during the year. A sum of Rs. 6,000 was spent on freight inwards. At the end of the year the cost of goods still unsold was Rs. 12,000. Sales during the year Rs. 1,20,000. What is the gross profit earned by the firm?** [1]
- A. Rs. 36,000
  - B. Rs. 30,000
  - C. Rs. 42,000
  - D. Rs. 38,000
- Qn.45) F's capital on Jan. 1. 02 Rs. 42000. Drawings Rs. 14000. Profit for the year Rs. 15000. His capital as on 31.12.02 is:** [1]
- A. Rs. 67000
  - B. Rs. 43000
  - C. Rs. 47000
  - D. Rs. 69000
- Qn.46) Rent paid on 1 October, 2004 for the year to 30 September 2005 was Rs. 1,200 and rent paid on 1 October, 2005 for the year to 30 September, 2006 was Rs. 1,600. Rent payable, as shown in the profit and loss account for the year ended 31st December 2005, was** [1]
- A. Rs. 1,200
  - B. Rs. 1,600
  - C. Rs. 1,300
  - D. Rs. 1,500
- Qn.47) Sales include Rs. 60,000 sent to Z & Co. on sale or return basis for which no approval has been received as on 31.3.2012. The cost of the goods was Rs.....Which of the following treatment will be correct while preparing final accounts?** [1]
- A. Increase sales & debtors by Rs. 60,000, Decrease closing stock in trading account and balance sheet by Rs. 50,000
  - B. Increase sales & debtors by Rs. 60,000, Increase closing stock in trading account and balance sheet by Rs. 50,000
  - C. Reduce sales & debtors by Rs. 60,000, Increase closing stock in trading account and balance sheet by Rs. 50,000
  - D. Reduce sales & debtors by Rs. 60,000, Reduce closing stock in trading account and balance sheet by Rs. 50,000
- Qn.48) Calculate gross profit if rate of gross profit is 20% on sales and cost of goods is Rs 1,20,000 :** [1]
- A. Rs 24,000
  - B. Rs 30,000
  - C. Rs 20,000
  - D. None of these



Qn.49)

The Zed Company, a whole seller estimates the following sales for the indicated months:

[1]

	Jun-06	Jul-06	Aug-06
	Rs.	Rs.	Rs.
Opening Stock	4,08,000	4,34,400	4,60,800
Credit Sales	15,00,000	16,00,000	17,00,000
Cash Sales	2,00,000	2,10,000	2,20,000
Total Sales	17,00,000	18,10,000	19,20,000

Selling price is 125% of the purchase price. Stock purchased in July, 2006 is:

- A. Rs. 1,605,000
- B. Rs. 1,474,400
- C. Rs. 1,440,000
- D. Rs. 1,382,500

Qn.50)

Sundry Debtors on 31st March, 2006 are Rs 55,200. Further Bad debts are Rs 200 : Provision for doubtful debts are to be made on debtors @ 5% and also provision of discount is to be made on debtors @ 2%. The amount of provision of discount on debtors will [1]

- A. Rs 1,045
- B. Rs 2,750
- C. Rs 1,100
- D. Rs 2,760