

## FY B.com: Accounts Objective Questions

### True or false statements

State with reasons whether the following statements are true or false

1. Two firms deciding in similar nature of business amalgamate to cut down the cost of completion.
2. On amalgamation of partnership firms, revaluation of assets and liabilities are recorded to profit and loss adjustment account.
3. On amalgamation of firms, any gain in liabilities will be debited to revaluation account.
4. On amalgamation, the profit or loss on revaluation account is distributed among the old partners in their capital ratio.
5. On amalgamation of firms undistributed profits and losses are distributed among the old partners in their profit sharing ratio.
6. At the time of amalgamation of firms, goodwill raised should be written in the books of new firm in their gaining ratio.
7. On amalgamation of firms, decrease in the value of machinery of old firm is credited to machinery account.
8. On amalgamation the total capital of new firm is adjusted in their new profit sharing ratio.
9. On amalgamation, realization account is operated when assets of old firms are retained in the same business.
10. On amalgamation, revaluation account is operated when assets of old firms are sold and books of account are closed.
11. In conversion of a firm, a partner's loan is not to be transferred to Realisation account.
12. Conversion of firm into company is nothing but the floatation of a new company to take over the business of partnership.
13. Conversion of firm into company takes the advantage of the principle of unlimited liability.
14. If purchasing company has taken over all assets including cash of the firm, then such cash balance should not be transferred to realisation account.
15. When a partnership is converted into a company, the partners may desire to maintain their mutual relationship even when they cease to be partners and become members.
16. The firm may be converted into company to get the benefit of additional capital.
17. When the firm is converted into a limited company, the firm is dissolved.
18. In case of conversion of firm, if assets incorporated in the books of company are more than the liabilities and business purchase, the difference is known as goodwill.
19. In case of sale of firm to a company, aggregate of shares and debentures issued and the cash payment made by company to the firm is known as purchase consideration.
20. The fraction portion of a share received from limited company, generally is valued at market price and discharged in cash.
21. The basic presumption of maximum loss method at every stage of realisation is that there will be no further realisation of assets.
22. The basic presumption of surplus capital method is that a partner who has contributed more capital than his proportionate share of capital, should be paid first to the extent of his excess capital over and above the proportionate capital.
23. Under Indian condition, the capital deficiency of the insolvent partner is shared by the solvent partners in their capital ratio.
24. A partner is solvent who is unable to meet his financial obligations.
25. The profit on realization is shared by all partners in their final claim ratio.
26. If one of the partners becomes insolvent, the firm is said to be dissolved.
27. A partner whose assets exceed his liabilities is considered as insolvent.
28. Under surplus capital method, those partners should be paid first whose capitals are comparatively in excess of their profit sharing ratio.
29. Under piecemeal distribution, Govt. Taxes will always be paid first, while making the payment of outside liabilities.
30. The basic assumption that when the firm is dissolved, all assets are immediately disposed off and all liabilities are paid off, is realistic.
31. The periodic distribution of cash to partner is made in such a way that the unpaid balance of capital of each partner is retained in the profit sharing ratio.

32. Under National Loss Method, the maximum loss is distributed among the partner in their capital ratio.
33. Under Maximum Loss Method, at each realisation the unrealized assets are considered worthless.
  
34. In the process of dissolution, shares of the company are issue in fraction.
35. Realisation Account and Revaluation Account both are one and the same.
36. General Reserve Fund is never transferred to Realisation Account.
37. On gradual realisation of assets, first preference for distribution of cash will be for payments of realization expenses.
38. Any asst or liability not taken over by the purchasing company must be adjusted through Realisation Account.
39. Under piecemeal distribution after all realizations have been made, the final capital balances must in capital ratio.
40. Any asset or liability not taken over by the purchasing company must be adjusted through Realisation Account.
41. A loss on sale of shop-soiled items of stock must be debited to the department concerned.
42. In departmental accounts, each department is considered as a separate profit centre.
43. Inter-departmental transfers are recorded separately through departmental transfer analysis sheet.
44. Under dual pricing method of inter-departmental transfer, buying department is debited with the market price and selling department is credited with the cost price.
45. Under inter departmental transfers; the transfers made at selling price are treated as purchases by the transferring department.
46. In departmental accounting, share transfer fees received should be debited to general profit and loss account.
47. Departmental accounting information generally provides a basis for intelligent planning and stricter control.
48. Allocable expenses are generally incurred for the benefit of more than one department, but allocation of which cannot be made on equitable basis.
49. Labor welfare expenses are more suitably be apportioned on the basis of employee numbers.
50. In departmental accounts, when goods are transferred from one department to another at inflated price, there is no need to make to for unrealised profit.
51. Under departmental accounts, legal charges are to be debited to profit and loss account.
52. Excess of selling price over cost price included in the value of stock which remains unsold is termed as, realized profit.
53. In departmental accounts, the loss arising from insolvency of credit customers, should be allocated on the basis of net turnover of each department.
54. The departmental accounts enable the organization to close down, the unprofitable department.
55. Computerised accounting is an economical and time saving.
56. Off-the-shelf packages are more expensive than custom-built-packages.
57. Computerised accounting saves labour and tedium involved in routine book keeping and accounting activities.
58. A computer is an electric device.
59. A computer is an electronic machine which operates on given instructions and processes the input data, to convert it into some output-information.
60. The computer is a faithful, never tiring but a foolish servant.
61. Consistency refers to the ability of computers to perform a variety of tasks, simple as well as complex.
62. Computer is the most utilitarian, versatile and complex creation of modern civilization.
63. The idea of computers was first conceived by Charles p. Babbage in 1833.
64. The memory is a storage unit, capable of storing large amount of information is computer, which is easily accessible when required.
65. Software, refers to the physical devices of a computer system.
66. The software and hardware of a computer must work together to produce a useful input.
67. Programmers are the people who write up the programmes to implement the data processing system design.
68. A modern computer is a fast moving calculation machine.
69. A computer sometime is also termed as 'electronic brain'.
70. For a modern commercial office, computer has become an important office automation tool.
71. Non-cash vouchers reflect transactions in which money is immediately paid or received.
72. The total of all debits in voucher transaction must be equal to the total of credits.
73. A contra voucher is used for fund transfer between cash and bank accounts only.
74. All sales in cash or credit should be entered through sales voucher.

75. Generally opening entries transactions should be entered through journal voucher.
76. Software is a set of programmes that cause the computer to perform the desired work.
77. Inputs are the reports generated from decision-making.
78. Inputs represent data from source documents viz. sales receipts purchase orders, bank deposit slip etc.
79. spread sheets is a software package designed to create, update and revise mathematical models, charts, reports, graphs or diagrams in any form.
80. The computerised accounting system spreads across the various branches of accounting and integrates them to help decision-makers make holistic choices.
81. A corruption of data may shut down the whole system and destroy the complete data base which can lead to panic.
82. Royalty is a periodical payment, made towards the use of certain fixed assets, by the owner to its user.
83. Royalties are usually payable for the extraction of oil, coal and minerals from the ground.
84. Royalty payable on turnover basis is debited to trading account.
85. Mines are the assets which are exhausted with or which lose themselves in the goods they produce, hence these assets are termed as fictitious assets.
86. Royalty account is a nominal account but royalty payable account is a personal account.
87. The minimum amount which is to be paid by the lessee to the lessor per year irrespective of the output drawn, is termed as dead rent.
88. Generally the fixation of minimum rent is in the interest of lessee.
89.  $\text{Dead rent (-) royalties receivable} = \text{royalties suspense}$ .
90. The per unit of output at which the lessor is required to pay the royalty to the lessee, is termed as rate or royalty.
91. The amount by which the minimum rent exceeds the actual royalty is termed as short workings.
92. If the actual royalty is more than the minimum rent, then minimum rent is not payable.
93. If the actual royalty is less than the minimum rent, then minimum rent is payable.
94. It is absolutely necessary to prepare a memorandum royalty statement for calculation of exact amounts of royalty, shortworkings etc.
95. In the books of lessor, if royalties are less than minimum rent and shortworking are recoverable, royalties suspense account is credited.
96. In the books of landlord, if royalties are more than minimum rent and shortworkings are recovered. Royalties' suspense account is debited.
97. If the lessee could not recover the loss of shortworkings during the stipulated period, it is transferred to trading Account.
98. Royalty payable on sales basis is debited to profit and loss account.
99. Royalty payable on output basis is debited to trading account.
100. The right of recoupment can be fixed or floating.
101. The minimum rent or actual royalty whichever is more, is always to be paid to the lessor.
102.  $\text{Shortworkings} = \text{minimum rent plus royalty payable}$ .
103. Lessee is a person to whom the right to work the mine is transferred.
104. Under hire purchase system, ownership of goods is transferred to the buyer only when the first installment is paid.
105. Under hire purchase system, the seller gets the right to take back the possession of goods if any default is made by the buyer in payment of installments.
106. The seller cannot repossess the goods in case of default in payment under hire purchase transactions.
107. The hire purchase has a right to terminate the whole of India except the State of Jammu and Kashmir.
108. The Hire Purchase system the asset account should not be debited with more than the cash price of the asset.
109. Under Hire Purchase System the asset account should not be debited with more than the cash price of the asset.
110. The difference between the cash price and the hire purchase price is not the charge only on account of the interest but is the charge for so many other services including interest.
111. Under installment system, the title of the property in the goods is transferred to the purchaser immediately on signing the contract.
112. Hire purchase is an agreement of hiring with ultimate purchase.
113. In case of hire purchase, asset account is always debited with hire purchase price.

114. Depreciation on assets is always calculated on the hire purchase price of the asset.
115. The buyer has the option to return the goods in case of a hire purchase.
116. In case of installment system total interest receivable by the seller is credited to interest suspense account.
117. In India, the Hire Purchase System is regulated by Hire Purchase Act, 1927.
118. The amount of cash price and interest is not the same even in between equal installments.
119. Depreciation is not written off in Installment system.
120. Under installment system, the buyer has no right to return the goods because he has taken possession and ownership of goods.
121. The dissolution of partnership takes place on the solvency of a partner.
122. In case of illegal business, the firm has to be dissolved.
123. On dissolution, the personal debts of a partner should be paid out of his personal asset.
124. On dissolution, no special treatment is required for goodwill.
125. Under piecemeal distribution, asset of the firm are realized and cash is collected gradually.
126. On dissolution, the surplus assets can be distributed between partners in the profit sharing ratio.
127. Under piecemeal distribution, Quotient Method should not be followed, when all partner are solvent.
128. On dissolution, the loss on realization is derived at only after all assets are realised and liabilities discharged.
129. The profit or loss on realization is to be transfer to partner's loan accounts in their profit sharing ratio.
130. The liabilities not taken over by the new firm on amalgamation of partnership firms are transferred to partners' capital accounts in their capital ratio.
131. In the event of amalgamation of partnership firms, the goodwill of each business is credited to the partners of the respective firms in old profit sharing ratio.
132. Under conversion, two or more firms transfer their businesses to a new firm which is formed to take over such businesses.
133. After amalgamation, partners may fix up the capital of the new firm and excess or deficit capital may be adjusted in cash.
134. On amalgamation, the old firm should transfer the accumulated reserves to the partners capital accounts in their profit sharing ratio
135. Under conversion, if the purchasing company has taken over all assets including cash, then cash account should not be transferred to realization account.
136. If a partnership firm itself gets converted into a limited company, the partners may take employment in the company in different capabilities on salary basis.
137. When a partnership is converted into a company, the partners may decide to maintain their mutual relationship even when they cease to be partners and become members.
138. In case of conversion of partnership firm into a company, the partners shall act as a full time director and receive salary.
139. In Computerised Accounting Environment the processing of financial information will be done by one or more computers.
140. In spread sheet accounting software double entry is automatically completed.
141. Accounting Standards provide a frame work for preparation of Financial Statements.
142. Accounting Standards suggest rules and criteria of business measurements.
143. The Accounting Standards Board issued the first document in January, 1979, known as "Preface to the statements of Accounting Standards."
144. AS-9, deal with contingencies and events occurring after the Balance-Sheet date.
145. AS-9, is not applicable to gains realized or unrealized.
146. Accounting Standards are the rules in relation to recognition, measurement and disclosure of financial information in preparation of financial statements.
147. Accounting standards do not apply to purely charitable entities.
148. As per As-1, all significant policies should be disclosed in notes to account which forms part of financial statement.
149. As per AS-2, materials gives on loan is an inventory.
150. As per As-4, proposed dividend should be provided in the books as required by company law.
151. AS-9, Revenue Recognition is made mandatory w.e.f.01.04.1991 for all enterprises.
152. The board set up by the council of the ICAI to formulate accounting standards is named as Indian Accounting Standard Board.
153. Accounting standard in India are issued by the Central Government.

154. Accounting standard are to be used in the presentation of general purpose statements.  
 155. Accounting standard present the general principles to be put to application using professional judgement.  
 156. Accounting standard seeks to improve the comparability, reliability and the usefulness of financial statement.  
 157. AS-1 requires that the significant accounting policies need not be disclose at one place.  
 158. Revenue is generally considered as realized at the time of agreement to sell.  
 159. Accounting Standard Board was actually setup by the Central Government of India.  
 160. According to AS-2, inventory is to be valued at historical cost or sales value whichever is less.  
 161. Under Hire Purchase System, interest should be allocated in the ratio of benefits derived.

**ANSWERS****TRUE**

- 1.,2.,5.,7.,8.,11.,12.,15.,16.,17.,19.,20.,21.,22.,26.,28.,29.,31.,33.,36.,37.,38.,40.,42.,43.,47.,49.,53.,54.,55.,57.,59.,60.,62.,63.,64.,67.,69.,70.,72.,73.,74.,75.,76.,78.,79.,80.,81.,83.,86.,87.,89.,91.,92.,93.,94.,95.,96.,98.,99.,100.,101.,103.,105.,107.,108.,109.,110.,111.,112.,115.,116.,118.,120.,122.,123.,124.,125.,128.,130.,131.,133.,134.,136.,137.,138.,139.,141.,143.,145.,146.,147.,150.,151.,154.,155.,156.,161.

**FALSE**

3. credited, 4. In profit sharing ratio, 6. New profit sharig ratio, 9. Revaluation, 10. realisation, 13. limited liability, 14. Should be transferred, 18. known as capital reserve, 23. In their profit sharing ratio, 24. is able to meet, 25. in their profit sharing ratio, 24. Solvent, 30. Is unrealistic, 32. in their profit sharing ratio, 34. Are not to be issued in fraction, 35. Both are different, 39. In profit sharing ratio, 41. Dedicated to General Profit and loss account, 44. Debited to General Profit and loss account, 52. Unrealized profit, 56. Less expensive, 58. An electronic device, 61. Versatilirly, 65. hardware, 66. Output, 68. fast electronic, 71. moneyt is not immediately paid or received, 77. outputs, 82. by the user to its owner, 84. profit and loss account, 85. As wasting assets, 88. Interest of the lessor, 90. The lessee is required to pay the royalty to the lessor, 97. Profit and loss account, 102. Minus, 104. last instalment, 106. Can reposes, 113. Debited with cash price, 114. On the cash price of the asset, 117. Act, 1972, 119. Is to be written off, 121. Insolvency, 126. can not, 127. When any one of the partner is insolvent, 129. Partners Capital Account, 132. Amalgamation, 135. Should be transferred, 140. Is not automatically completed, 142. Of accounting measurements, 144. AS-4, 149. Is not an inventory, 152. Accounting Standard Board, 153. Accounting Standards Board of ICAI, 157. Should be disclosed, 158. Accounting Standard Board, 159. By the institute of Chartered Accountants of India, 160. Historical cost or net realizable value whichever is less.

**FILL IN THE BLANKS**

- Amalgamation of partnership firms is based on the concept of .....
- Under Amalgamation ..... or more firms transfer their businesses to a new firm which is formed to take over such businesses.
- On amalgamation of firms, any loss in liabilities will be ..... to Revaluation Account.
- On amalgamation of firms, if the old firm decides not to disturb the book value of assets and liabilities, then all assets and liabilities will appear in the new Balance Sheet at ..... Value.
- The basic objective of amalgamation of firms is to maximize .....
- In amalgamation of firms, ..... Is a situation in which a firm takes on new lines of business to reduce the degree of risk.
- On amalgamation of two firms, the indentity of the old firm comes to an .....
- On amalgamation, any unrecorded asset taken over by the old partner will be transferred to .....
- On amalgamation, when assets are retained in the same business, a ..... Account is operated for accounting treatment.
- On amalgamation, when assets are sold and books of accounts are closed, a ..... Account is operated for accounting treatment.
- Conversion is nothing but ..... of firm resulting on account of sale.
- Larger capital requirement to facilitate business expansion may be the important objective of ..... firm.
- The liability of partners in a firm is .....
- If cash balance is taken over by the purchasing company together with other assets of the firm, then cash balance is to be debited to ..... Account.

15. The partners of the firm shall divide the shares of the company among themselves, in the absence of any specific agreement in the ratio of their .....
16. The price paid by a limited company for acquiring the business of firm is known as .....
17. When purchase consideration is agreed upon by the limited company, in the books of firm, their account is .....
18. When the asset not taken over by the company is sold at a loss, the loss on sale of asset is debited to ..... account.
19. On receipt of equity shares in purchasing company as a part of purchase consideration, it should be debited at their .....
20. In the absence of an agreement as to the division of shares among the partners, such shares should be distributed in the ratio of their final claims in accordance with the provisions of section ..... of the Indian Partnership Act, 1932.
21. Reserve fund is distributed among the partners in their ..... ratio.
22. The ..... partner has to bear the capital deficiency of an insolvent partner.
23. The debit balance of an insolvent partner's capital account indicates .....
24. A partnership is compulsorily dissolved when the partners of the firm become .....
25. Under Maximum Loss Method in Piecemeal Distribution, it is assumed that, at every stage of realization of assets, the remaining unrealised assets are .....
26. As per Garner Vs. Murray Case, the capital deficiency of insolvent partner is transferred to other solvent partners in their ..... ratio.
27. In case of insolvency of a partner, any sum received from his private estate should be ..... to his capital account .
28. Under Surplus Capital method in Piecemeal Distribution, after the repayment of all outsider liabilities, the ..... are to be discharged on pro-rata basis.
29. Maximum loss = Total paid Capital Balances - .....
30. Winding up of partnership business is termed as ..... of a firm.
31. The final decision in Garner Vs. Murray case was given by .....
32. Dissolution expenses are credited to ..... Account if paid by cheque.
33. If the firm is following fixed capital method, capital deficiency of the insolvent partner will be allocated in ..... ratio among the solvent partners under Garner Vs. Murray case.
34. If the number of partners in a firm falls below two, the firm stands .....
35. The Indian Partnership Act was enacted in the year .....
36. Loan to firm by partner's wife is a ..... to third party.
37. Realization Account is not a ..... Account .
38. A partner with debit balance of capital account and unable to bring in necessary cash is said to be .....
39. When capitals are fixed, the capitals on the date of dissolution constitute ..... ratios.
40. The rule of Garner Vs. Murray may be applied only if there are at least ..... solvent partners in a firm.
41. A ..... is generally a physical part of the business established under the same roof.
42. A ..... system of departmental accounts is more convenient, where the number of departments are very small.
43. A ..... departmental accounting system is more useful for systematic planning, effective decision making and stricter control.
44. The accounting record of goods supplied by one department to other department is recorded more systematically through .....
45. Preparation of departmental accounts is absolutely necessary to know ..... of each department .
46. The unallocable expenses under departmental accounting are to be debited to ..... account.
47. Carriage and freight can be allocated in departmental accounting on the basis of ..... Each department.
48. Inter-departmental transactions are to be debited to Trading account of the ..... department.
49. .... is a method, technique or system of record keeping by which the exact costs and results of every department can be ascertained more accurately.
50. Maintaining separate books of accounts for each department, treating it as an independent unit, is a method that gives precise results, but it is more .....
51. The expenses which are directly incurred and readily identified with a particular department must be charged directly to that .....

52. Under cost based transfer pricing method of inter-departmental transfer ..... cost is preferred to actual cost.
53. Inter-departmental transfers will be treated as ..... in case of supplying department.
54. Usually insurance of premises can be allocated on the basis of .....
55. The amount of time a computer takes in accomplishing a task or complete an operation is termed as ..... of computer.
56. The degree of exactness with which computations are made and operations are performed is referred to as .....
57. The ability with which the computers remain functional are made and operations are performed is referred to as .....
58. Repeating the same results without any variations irrespective of the number of times the programme is run known as .....
59. The ability of computers to perform a variety of tasks, simple as well complex, is known as.....
60. Centralized control over access to accounting data ensures better ..... of data.
61. .... Accounting System saves a lot of monotonous labour.
62. Computer is as ..... the input and instructions are.
63. A computer has no ..... of its own.
64. People interacting with the computers are called ..... of the computer system.
65. Connectivity is acknowledged as a ..... element of the computer system.
66. If the inaccurate data is not fed into the computer, the resultant output will always be .....
67. Control unit works as a ..... of the computer.
68. Manual accounting increases unnecessary ..... of work.
69. Computer is a cent percent ..... Machine.
70. In ..... no manual efforts are required for journalising, ledger posting, balancing and preparation of trial balance.
71. A ..... is the documentary evidence for a business transaction.
72. An ..... is a document received from outside agency regarding a business transaction .
73. An ..... is a document which is created by the business itself and signed by the payee.
74. Cash vouchers involve receipt or payment of .....
75. As per the rule of equity, decrease in liability must be .....
76. Computerized Accounting requires transaction data to be entered into.....
77. A voucher is a record of transactions following the rules of .....
78. Cash deposited into Bank and Cash withdrawn from Bank, transactions should be entered in ..... voucher.
79. All inflow of money either through cash or bank is to be recorded in ..... voucher
80. All purchase in cash or credit should be entered in..... voucher.
81. Integrated computerized Accounting System = Accounting (+) .....
82. The database system can be defined as an ..... collection of information.
83. Royalty is the amount of ..... paid by lessee to the landlord of the asset in return for the right to use that asset.
84. Patent Royalty is the payment made for having a privilege of the right to use certain ..... for manufacturing any article.
85. When an author or artist or designer gives the exclusive rights to another to copy their work, the royalty is termed as ..... royalty.
86. Royalty payable on an output basis is debited to ..... Account.
87. Copyrights, is an asset which get exhausted with the lapse of time, hence it is termed as a ..... asset.
88. Usually fixation of minimum rent is in the interest of the .....
89. When the royalty payable works out to be less than the minimum rent, the difference is called as .....
90. Minimum Rent (-) Royalties Payable = .....
91. The question of ..... will arise only when there is stipulation for minimum rent in the agreement .
92. Generally the royalty agreement contains a provision for ..... of shortworkings, with a view to adjust it in the future, against the surplus royalty.
93. If the shortworking, partly or fully, can not be recouped within the specified time, they lapse and are charged to ..... Account.
94. The shortworkings can be recouped only to the extent of excess of actual royalty over the .....

95. The minimum rent can be ..... proportionately, if the business is suspended for some part of the year due year due to unavoidable circumstances.
96. In the books of lessee, if royalties are less than minimum rent shortworkings Account is .....
97. When the owner transfers the right to work on the mine to some other person, the landlord is called as.....
98. The amount of dead rent is fixed up by the agreement between the ..... and the lessor.
99. If there is any stoppage due to strike or lock out the ..... may be reduced proportionately.
100. If royalties are 1.25 per ton with a minimum rent of 6,600/- and actual output is 5,200 tonnes the shortworkings will be.....
101. Royalties calculated on turnover basis are to be transferred to ..... Account.
102. Shortworkings Account, unless it is recovered or written off, will be treated as the..... of the Instalment.
103. Minimum Rent is also called as ..... Rent.
104. Cash Price = ..... (+) Present Value of the Instalment.
105. Under hire purchase system, the interest is to be calculated on the outstanding balance of ..... at the stipulated rate.
106. Under hire purchase system, while recording the asset purchased in the books of account, only ..... price of the asset should be capitalised.
107. In case of hire purchase system, the cash price is always ..... than the total payments made.
108. Under hire purchase system, depreciation should be charged on fixed asset every year in the books of buyer on its.....
109. Under instalment system, unless seller defaults, goods are not.....
110. Under ..... method ownership of asset accrues with the instalment paid towards the principal.
111. The ..... can not pledge or sell the asset till the last instalment is not paid.
112. Hire Purchase Charges = Hire Purchase Price (-) .....
113. Hire Purchase Price = Cash Price (+) .....
114. Hire purchase can not sell the goods as he is not the ..... of the goods.
115. Under hire purchase system, the instalment is treated as a ..... charge.
116. The hire purchase transactions are regulated by Hire Purchase Act,.....
117. Under the hire purchase system, legal ownership in the goods passes to the purchaser only when the..... Instalment is paid.
118. Under ..... system, the legal ownership in the goods sold passes immediately to the purchaser, as soon as he signs the contract.
119. The Hire Purchase Act, 1972 has laid down the maximum hire purchase charges which can be levied as ..... % p.a. of the cash price.
120. Hire Purchase Price is payable in .....
121. The hire vendor has a right of ..... goods, if the buyer fails to make the payment of any instalment on the due date.
122. Under hire purchase system, the seller may..... the goods if hirer is in default.
123. A compensatory payment by hire purchaser to the hire vendor for delay in payments is termed as.....
124. In piecemeal distribution, first pay the ..... liabilities.
125. On amalgamation, increase in the value of liability is ..... to Liability Account.
126. On amalgamation, goodwill is written off in the books of new firm, always in ..... ratio.
127. On amalgamation, if capital of the new firm is readjusted in new profit sharing ratio and cash is not sufficient, surplus capital may be transferred to partner's ..... Account temporarily.
128. The ..... method of accounting in amalgamation of partnership firm is more useful, when assets of the old firm are sold and books of accounts are closed.
129. In case of ..... two partnership firms may merge with one another and form a new partnership firm.
130. In case of conversion, if the assets taken over are more than the liabilities and business purchase, then the difference is known as.....
131. In case of conversion, the disposal of a assets not taken over by the purchasing company is to be recorded through ..... Account.
132. If ..... figure of purchase consideration is given in case of conversion, no need arises for further calculation.
133. In case of conversion of firm into, limited company the firm has to ..... liabilities not taken over by the company.

134. In computerized accounting environment, the ..... of financial information will be done by one or more computers.
135. A coded accounting system is more convenient where there are numerous.....
136. Spread sheet softwares are used as an accounting ..... as it is simple to use and easy to understand.
137. Now a days, re-packaged accounting softwares are available at very cheap prices, hence relatively they are.....
138. A ..... accounting software is developed on the basis of specific requirements of the business organization.
139. If the size of business operation is small or medium, it is better to operate for a..... accounting software
140. Spread sheet softwares can be utilized to generate accounting.....
141. The basic purpose of accounting standards is to have ..... of accounting policies and practices followed by businesses.
142. In the case of mandards standards, it becomes the duty of the ..... to see that accounting standards are followed appropriately in the preparation of financial statement.
143. AS-4 is ..... applicable to liabilities of life assurance and general insurance.
144. Contingency refers to the result of which not known on the ..... Date.
145. As per AS-4, the ..... should be made in the report of the approving authority of those events occurring after the Balance-Sheet date.
146. As-9, revenue should be recognized only when the goods are installed at the ..... Place at his satisfaction.
147. As per AS-9, revenue should be recognized only when the goods are installed at the ..... place of his satisfaction.
148. If a charitable entity is engaged in commercial activity, then accounting standards would apply to its ..... activity, charitable or non-charitable.
149. As per AS-1, major considerations in selecting the accounting policies are prudence, substance over form and .....
150. As per AS-2, inventories should be valued at cost or net realizable value whichever is .....
151. Under cost-based transfer price method of inter departmental transfer, the supplying departments fixed cost becomes the ..... cost of the receiving department.
152. According to AS-9, revenue from sales and services should be recognized at the time of sale of goods or rendering of services is collection is reasonably.....
153. Accounting standards make the..... of different business units more comparable.
154. Accounting standards are mandatory for.....
155. As per as ..... Historical cost of inventory includes cost of conversion.
156. AS-9 is concerned with recognition of ..... arising from rendering of services.
157. Royalties receivable is the best example of a revenue for the purpose of AS-.....
158. AS-9 deals with .....
159. According to AS-9, interest should be recognized on ..... basis.
160. Revenue should be recongised when there is no ..... About receipt.
161. Under Hire purchase System, depreciation on fixed assets is not be calculated on ..... Of the assets.
162. The amount of interest is credited by the hire purchaser to ..... Account.
163. The cost of goods sold on hire purchase is transferred to ..... Account.

### ANSWERS

1. synergy, 2. two, 3. debited, 4. old, 5. profit, 6. diversification, 7. end, 8. Partner's Capital Account, 9. Revaluation, 10. Realization, 11. dissolution, 12. conversion, 13. unlimited, 14. Realization, 15. Final claim, 16. Purchase consideration, 17. Debited, 18. Realization, 19. Issue prices, 20. 48(b)(ii), 21. Profit sharing, 22. Solvent, 23. Capital deficiency, 24. Insolvent, 25. Worthless, 26. Capital, 27. Credited, 28. Partners loans, 29. Available cash, 30. Dissolution, 31. Justice joyce, 32. Bank, 33. Capital, 34. Dissolved, 35. 1932, 36. Liability, 37. personal, 38. Insolvent, 39. Capital, 40. Two, 41. department, 42. Manual, 43. Computerized, 44. Departmental, transfer analysis sheet, 45. Profitability, 46. General profit and Loss, 47. net purchases, 48. receiveing, 49. Departmental Accounts, 50. expensive, 51. Department, 52. Standard, 53. Sales, 54. Area occupied by each department, 55. Speed, 56. Accuracy, 57. Reliability 58. Consistency, 59. Versatility, 60. Security, 61. Computerized, 62. Accurate, 63. Intelligence, 64. Live-ware, 65. Sixth, 66. Accurate, 67. Brain, 68. Duplication, 69. Accurate, 70. Computerized accounting system, 71. Voucher, 72. External voucher, 73. Internal voucher, 74. Money, 75. Debited, 76. Accounting package, 77. Equality, 78. contra, 79. Receipt,

80.Purchase ,81.Computerization, 82.Organized, 83.Consideration, 84.Patents, 85. Copyright, 86. Manufacturing account or trading Account, 87.Wasting, 88.Landlord ,89.Shortworkings, 90.Shortworkings, 91.Shortworkings, 92.Recoupment, 93.Profit and loss, 94. Minimum rent, 95. Reduced, 96.Debited, 97.Lessor, 98. Lessee, 99. Minimum rent, 100.Rs.100, 101. Profit and loss ,102.Asset, 103.Dead/rock /fixed, 104.Down payment, 105.Cash price, 106.Cash ,107.less, 108.Cash price, 109.Returnable, 110.Asset accrual, 111. Hire purchaser ,112.Cash 113.Interest on outstanding balance, 114.Owner, 115. Hire, 116. 1972, 117.Last, 118.Installment ,119.30, 120. Installments,121.repossession, 122. Recover, 123.Interest, 124.Preferential, 125.Credited, 126.New profit sharing, 127.Current/loan, 128.Realization, 129.Amalgamation of partnership firm, 130. Capital reserve, 131.Realization, 132.Lump sum, 133.Discharge, 134.Processing, 135. Account heads, 136.Tool, 137.Inexpensive, 138.Customized ,139.Prepackaged, 140.Reports, 141.Harmonization, 142.Auditor, 143. Not, 144.Balance-sheet, 145.Disclosure, 146.Revenue recognition, 147.Buyers, 148.Entire, 149.Materiality, 150.Lower, 151.Variable, 152.Certain, 153.Financial statements, 154.Companies, 155. 2, 156.Revenue, 157.9, 158.Revenue recognition, 159.Time, 160.Uncertainty, 161.Hire purchase price, 162. Hire vendors, 163.purchases.`