

Final Account Test paper 100 Question

Test ID :051

Date : 17/08/2017 Time :01:59:48

Instruction for Qusetion 1 To 100 MCQ

Qn.1) net profit before commission has been Rs.1,20,000. Manager's commission is 20% of net profit before charging such commission. The amount of manager's commission is: [1]
 A. Rs. 22,000 B. Rs. 25,000 C. Rs. 24,000 D. Rs. 20,000

Qn.2) Calculate the value of closing stock from the following:Opening stock Rs 60,000 Purchases Rs 90,000 Sales Rs 1,20,000 Gross Profit on cost 33 1/3% Due to fire, stock costing Rs 15,000 destroyed and insurance claim was accepted for Rs 5000 [1]
 A. Rs 40,000 B. Rs 45,000 C. Rs 55,000 D. Rs 60,000

Qn.3) 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.4) 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.5) 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.6) [1]

Particulars	Dr. Rs.	Cr. Rs.
Debtors		
	81,200	
Provisions for bad debts		5,800

Additional information:-Bad debt not yet provided - Rs. 1,200 -Provision for debt to be made at 5%Debtors will appear in balance sheet at Rs
 A. 80,000 (W 76,000 B. 76,000 C. 74,200 D. 75,400

Qn.7) Salaries paid Rs.2,00,000 includes Rs.10,000 for last year, Rs.20,000 for next year and current year's outstanding salaries Rs.15,000. Amount of salaries to be debited to P & L A/c of current is [1]

A. Rs.2,00,000 B. Rs.1,85,000 C. Rs.2,15,000 D. Rs.2,30,000

Qn.8) Arrange the following assets as per liquidity order. Debtors, Building, Cash & Bank, Stock [1]
 A. II, III, I, IV B. III, I, IV, II C. I, IV, III, II D. I, IV, II, III

Qn.9) Goods worth Rs. 36,000 were lost in fire. The goods were insured to the extent of Rs. 20,000. Loss on account of fire would be accounted for as under [1]
 A. Debit Trading A/c Rs. 36,000 and credit profit and loss A/c by Rs. 16,000 B. Credit Trading A/c Rs. 36,000 and Debit profit and loss A/c Rs. 16,000, insurance co debit by Rs. 20,000 C. Credit Profit and loss A/c Rs. 36,000 and Debit Trading A/c by Rs. 16,000 D. Credit Trading A/c Rs. 36,000 and debit profit and loss A/c Rs. 16,000

Qn.10)are those fixed assets which have a fixed content, like coal in a coal mine; the value of the asset goes down as the contents are taken out. [1]
 A. Intangible Assets B. Fictitious Assets C. Wasting Assets D. Floating Assets

Qn.11) Provision for doubtful debts means [1]
 A. making provision for bad debts B. making provision for the amount not considered as payable C. making provision for doubtful debt D. making provision just to reduce the profit

Qn.12) 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.13) Goodwill is..... [1]
 A. Floating Assets B. Fictitious Assets C. Wasting Assets D. Intangible Assets

Qn.14) Cost of goods sold - Rs. 2,00,000 Gross profit on cost - 25% Salary - Rs. 15,000 Rent - Rs. 7,000 Bad debts - Rs. 1,500 Drawings - Rs. 2,000 Creditors - Rs. 2,500 Net profit = ? [1]
 A. Rs. 22,000 (W Rs. 24,500 B. 24,500 C. Rs. 26,500 D. Rs. 16,500

Qn.15) From the following information choose the most appropriate answer: [1]

Sales Rs.	Opening stock Rs.	Purchases Rs.	Closing stock Rs.	Cost of goods sold Rs.	Gross Profit Rs.	Trading Expenses Rs.	Net Profit Rs.
15,000	6,000	10,000	?	9,000	?	4,000	?

The value of closing stock is

A. Rs. 9,000 B. Rs. 4,000 C. Rs. 8,000 D. Rs. 7,000

Qn.16) Sales Rs. 3,00,000, profit = 1/3rd on cost, cost of goods available for sales Rs. 5,00,000, purchase Rs. 1,00,000 closing inventory is [1]
 A. Rs. 2,00,000 B. Rs. 3,00,000 C. Rs. 2,75,000 D. None of these

Qn.17) From the following figures ascertain the gross profit: [1]

Rs	

Opening Stock (01.01.2006)	25,000
Goods purchased during 2006	1,30,000
Freight and packing on above	5,000
Closing Stock (31.12.2006)	15,000
Sales	1,90,000
Selling expenses on sales	9,000

A. Rs. 36,000 B. Rs. 45,000 C. Rs. 50,000 D. Rs. 59,000

Qn.18) is an account while..... is a statement. [1]

A. Trading Account, Balance sheet B. Profit Account, Balance sheet C. Trial balance, Balance sheet
D. (a) & (b)

Qn.19) Sales = Rs 3,00,000 G.P. on sales is 20 % Purchases = Rs 2,40,000; Opening stock = Rs 20,000 Find closing stock. [1]

A. Rs 20,000 B. Rs 24,000 C. Rs 16,000 D. Rs 12,000

Qn.20) On jan 1, 2011 the position of V. Mathur was as follows:Stock in hand rs.2400; Bills payable RS.400; Cash at Bank Rs.1800; Plant and machinery Rs.1000; Owing by debtors Rs.500; Owing to creditors Rs.800; Investments 2000; Loan from rajaram Rs.1500 V.MAthur capital as on the above date will be [1]

A. RS.5000 B. Rs. 4,000 C. Rs. 6,000 D. None

Qn.21) ___ is shown as foot note under the Balance Sheet. [1]

A. Contingent asset B. Contingent liability C. Fixed asset D. None

Qn.22) An amount which is allowed for the prompt settlement of debt arising out of a sale within a specified time and calculated on a percentage basis is known as [1]

A. Trade discount B. Special discount C. Cash discount D. None of the above

Qn.23) Which Reserve has debit balance [1]

A. General Reserve B. Contingency Reserve C. Joint Life Policy Reserve D. Reserve for Discount on Creditors

Qn.24) From the following information choose the most appropriate answer: [1]

	Rs.		Rs.
Opening Stock	20,000	Carriage on sales	3,000
Closing Stock	18,000	Rent of Office	5,000
Purchases	85,800	Sales	1,40,700
Carriage on purchases	2,300		

Net Profit will be

A. Rs. 42,600 B. Rs. 50,600 C. Rs. 45,600 D. Rs. 47,600

Qn.25) In which of the following opening stock does not appear? [1]

A. Trading Account B. Trial balance C. Balance sheet D. (b) & (c)

Qn.26) 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.27) A manager gets 5% commission on net profit after charging such commission. If gross profit is Rs 48,000 and expenses of indirect nature other than manager's commission sre Rs.6000.Commission amount will be: [1]
 A. RS.2100 B. Rs. 2,000 C. Rs. 2,200 D. Rs. 2,400

Qn.28) is a deduction from the list or catalogue price allowed by the wholesalers to the retailers for various reasons. [1]
 A. Trade discount B. Special discount C. Cash discount D. None of the above

Qn.29) According to the decision of Garner Vs Murray insolvent partner's capital deficiency is to be borne by solvent partner [1]
 A. equally B. according to profit sharing ratio C. according to capital ratio D.

Qn.30) The Gross Profit for the year ending 31.03.2009 is Rs 1750, Carriage Inward is Rs 150, Bad Debts is Rs 120, Proprietors Personal Expenses is Rs 750 Carriage Outward is Rs 175. The amount of Net Profit will be [1]
 A. Rs 1455 B. Rs 1305 C. Rs 555 D. Rs 705

Qn.31) Amount set apart to meet losses due to bad debts is a [1]
 A. provision B. reserve C. appropriation D. None of these

Qn.32) 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.33) While preparing final accounts , to adjust income received in advance which of the following adjustment entry will be passed? [1]

A.

Income Received in Advance A/c	Dr.
To Income A/c	

#b]

Income A/c	Dr.
To Income Received In Advance	

B. C.

Income Received In Advance	Dr.
To Outstanding A/c	

D.

Income Received In Advance	Dr.
To Profit & Loss A/c	

Qn.34) Sundry debtors on 31st March, 2009 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 be: [1]
 A. Rs. 1,045 B. Rs. 2,750 C. Rs. 1,100 D. Rs. 2,760

Qn.35) 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.36) Advertisement expenses of Rs.24,000 were paid on 24.01.11. The company believes that the effect of advertisement being not yet expired, ¼ of the amount of advertisement expenses is to be carried forward to the next year. The amount of advertisement expenses to be carried forward is: [1]
 A. Rs.6,000;Prepaid expenses B. Rs.18,000;deferred revenue expenses C. Rs.12,000;Prepaid expenses D. Rs.6000;Current assets

Qn.37) The manufacturing account is closed by transferring its balance to the: [1]
 A. Debit side of capital account B. Debit side of profit and loss account C. Debit side of trading account D. Credit side of capital account

Qn.38) While preparing final account, to provide depreciation which of the following adjustment entry will be passed? [1]

A.

Fixed Asset A/c	Dr.
To Depreciation A/c	

B.

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

C.

Fixed Asset a/c	Dr.
Profit & Loss a/c	

D.

Depreciation A/c	Dr.
To Fixed Asset A/c	

Qn.39) A person started a business with capital of Rs 50,000 and he takes loan from his relative Rs 5,000. Profit for the year is Rs 10,000 and drawings Rs 9,000. What will be the amount of closing capital? [1]
 A. Rs 60,000 B. Rs 51,000 C. Rs 56,000 D. Rs 46,000

Qn.40) Find out the corrected net profit; Profit before taking into account following adjustments was Rs 7,00,000 [1]
 (i) Rs 1,00,000 spent on purchase of motor car for business purpose, treated as expense in Profit & Loss A/c.
 (ii) Rs 15,000 p.m. rent on business premises
 A. Rs 7,70,000 B. Rs 7,85,000 C. Rs 6,15,000 D. Rs 6,30,000

Qn.41) 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.42) At the end of the year 2008-09, the ledger of a firm shows following balances, prepare their balance sheet-** [1]
Capital Rs 2,00,000
Net profit for the year 2008-09 Rs 1,50,000
Provision for Taxes Rs 75,000
Liabilities Rs 1,00,000
Advance Tax Paid Rs 60,000
Sundry Assets Rs 4,65,000
The total of the balance sheet would be
A. Rs 4,65,000 B. Rs 5,25,000 C. Rs 5,65,000 D. Rs 5,10,000

- Qn.43) Stock is** [1]
A. Included in the category of fixed assets B. An investment C. A part of current assets D. An intangible fixed asset

- Qn.44) While preparing final account, to adjust prepaid expenses which of the following adjustment entry will be passed?** [1]

A.

Prepaid Expenses A/c	Dr.
To Expenses A/c	

B.

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

C.

Outstanding Expenses A/c	Dr.
To Prepaid expenses a/c	

D.

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

- Qn.45) Sale of the Scrap of raw materials appearing in the trial balance are shown on the credit side of:** [1]
A. Trading account B. Manufacturing account C. Profit and Loss A/c D. None of these

- Qn.46)** [1]
- | Particulars | Rs |
|-------------|-----------|
| Building | 12,28,000 |
| | |

Bank overdraft	5,08,900
Furniture	4,20,000
Debtors	8,20,000
Creditors	7,28,000
Capital	?

A. Rs. 12,31,000 B. Rs. 22,48,900 C. Rs. 8,53,100 D. None of these

Qn.47) The net profit or loss is transferred to..... [1]
A. Drawing Account B. Capital Account C. Suspense Account D. None of the above

Qn.48) 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.49) 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.50) _____ ' 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.51) Increase in the value of opening stock results in which of the following [1]
A. increase in gross profit and net profit B. reduction in gross profit and increase in net profit C. no effect on net profit D. None of the above

Qn.52) Rosa paid Rs.1,200 on 1-7-09 towards yearly subscription (July 1, 2009 to June 30, 2010) of a newspaper. It means she has to make adjustment of ___ expenses for finalization of a/c for the year ended 31-3-10 [1]
A. Rs.300 as prepaid B. Rs.300 as outstanding C. Rs.200 as prepaid D. Rs.200 as outstanding

Qn.53) The..... measures net profit/loss by matching revenues and expenses according to the accounting principles. [1]
A. Trading A/c B. Manufacturing Account C. Profit & Loss A/c D. None of the above

Qn.54) H's trial balance contains the following information [1]

Particulars	Amt (Rs)
Bad Debts	3,000
Discount allowed	3,000
Provision for discount on debtors	3,200
Provision for doubtful debts	3,500
Sundry debtors	50,000

At the end of the year, it is desired to maintain a provision for doubtful debts at 10% and provision for discount on debtors at 4% Sundry debtors will appear in the balance sheet at a figure of [1]
A. Rs. 43,200 B. Rs. 39,744 C. Rs. 44,700 D. None of these

Qn.55) Nidhi started her business with capital of Rs.45,000 on 1st January ,2010. Interest on drawings Rs.5,000 and the interest on capital Rs.2,000 were appearing in the profit and Loss A/c for the year ended st December ,2010. Nidhi withdrew RS.14,000 during [1]
A. Rs. 67,000 B. RS.47000 C. Rs45000 D. RS.43000

Qn.56) Net profit before charging commission to manager Rs. 2,20,000. The manager is entitled to commission of 10% on net profit before charging such commission. The commission payable to manager will be Rest..... [1]
 A. Rs. 21,802 B. Rs. 24,200 C. Rs. 22,000 D. 20,000

Qn.57) 18% investment of Rs.1,00,000 and the interest received on investment Rs.15,000 have been given in the trial balance for the period ended on 31.3.2011. The amount of interest outstanding in the final accounts will be: [1]
 A. Rs. 18,000 B. Rs. 15,000 C. Rs. 3,000 D. Nil

Qn.58) The debts written off as bad, subsequently collected by the proprietor and retained by him for his personal use. What is the accounting treatment for this transaction? [1]
 A. Debit Drawings A/c & Credit Debtors A/c B. Debit Cash A/c & Credit Bad debts recovered A/c C. Simply ignore the Transaction D. Debit Drawings A/c & Credit Bad debts recovered A/c

Qn.59) 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.60) [1]

Stock at start	2400	Carraige inward	524
Purchaes	15205	Manufacturing wages	2800
Sales	20860	Manufacturing wages96 outstaning	
Closing stock	3840	Loss due to fire	1000
Return outward	185	Indirect expenses	200
Return Inward	860		

On the basis of the above information, Gross Profit will be:
 A. Rs. 4,000 B. Rs. 5,000 C. Rs. 6,000 D. None

Qn.61) Which of the following approach can be used for marshalling of balance sheet? [1]
 A. Permanence order or according to purpose B. Liquidity order or according to time C. Either (a) or (b) D. None of the above

Qn.62) Which of the following statement is not true- [1]
 A. Actual bad-debts are not adjusted against the provision for bad-debts a/c. B. Bad-debts could be more than provision for bad-debts C. Bad-debts could be less than provision for bad-debts D. Provision for bad-debts is shown as a liability in the balance sheet or may be deducted from the debtors in the balance sheet.

Qn.63) E's Trial Balance contains the following information: Discount received Rs. 1,000, Provision for discount on creditors Rs. 1,600. It is desired to maintain a provision for discount on creditors at Rs. 1,100. the amount to be credited to the profit and Loss account is [1]
 A. Rs. 1,500 B. Rs. 3,500 C. Rs. 1,000 D. Rs. 500

Qn.64) Preliminary expenses will be shown in ____ [1]
 A. Trading A/c – debit side B. Profit & Loss Appropriation A/c – debit side C. Balance sheet – liabilities side D. Balance sheet – assets side

Qn.65) Consider the following data pertaining to joy Ltd. for the year ended March 31,2011 [1]

Particulars	Rs.
Sales	400000
Decrease in inventory	40,000
Plant and machinery	170000

Rent received	50000
Purchases	2,85,000
Sales commission paid	20,000
Administrative expenses	40,000

The company noticed the following:

I. A credit purchase of Rs. 15,000 was wrongly recorded in day book as Rs. 51,000.

II. The company has the practice of depreciating the Plant and machinery at the rate of 15% PER ANNUM ON STRAIGHT LINE METHOD. The original cost of Plant and machinery was Rs. 2,00,000

III. Sales commission was paid only to the extent of third of the amount payable.

Considering the above data and the additional information, the net profit of the company for the period ended March 31, 2011 was:

A. Rs. 91,000 B. Rs. 61,000 C. Rs. 25,000 D. Rs. 31,000

Qn.66) 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	Dr.	A/c
To Drawings A/c		

C.

Drawings A/c	Dr.
To Capital A/c	

D.

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

Qn.67) In order to prepare final accounts, all nominal accounts will be transferred to Trading and Profit & Loss A/c by passing journal entries which are called as they close the nominal accounts. [1]

A. Opening entries B. Adjustment entries C. Closing entries D. None of the above

Qn.68) Which of the following is incorrect? [1]

A. Goodwill = intangible asset B. Sundry debtors = current asset C. Loose tools = tangible fixed asset D. Outstanding expenses = current asset.

Qn.69) If gross profit ratio is 50% on cost, it is ... % on sales. [1]

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

Qn.70) 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.71) From the following details calculate net purchases to be shown in Trading A/c Purchase account as shown in the Trial balance Rs. 150,000 includes the following items of purchases. [1]

- Goods received on sale or approval basis Rs. 20,000 for which time to return the goods is yet to expire
- Purchase of goods worth Rs. 5000 for the proprietor

3. Purchase of office typewriter worth Rs. 10,000

A. Rs. 150,000 B. Rs. 115,000 C. Rs. 185,000 D. Rs. 135,000

Qn.72) are those fixed assets which cannot be seen or touched or felt. [1]
A. Intangible Assets B. Fictitious Assets C. Wasting Assets D. Floating Assets

Qn.73) The total of the two sides of the balance sheet must agree because of the following equation. [1]
A. Assets = Liabilities - Capital. B. Assets = Liabilities + Capital. C. Assets = Fixed Assets + Current Assets D. All of the above

Qn.74) Goods purchased from creditors have been received but omitted to be recorded in accounts. In such a case, which of the following adjustment entry should be passed? [1]

A.

Purchases A/c	
Dr.	
To Creditors A/c	

B.

Creditors A/c	Dr.
To Purchases A/c	

C.

Trading A/c	Dr.
To Creditors	

D.

Trading A/c	Dr.
To Purchases	

Qn.75) If gross profit ratio is 33.33% sales, it is ... % on cost. [1]
A. 33.33% B. 20% C. 25% D. 50%

Qn.76) Rosa pays Rs. 1200 on 1.6.2009 towards yearly subscription (July 01 2009 to June 30, 2010) of a newspaper. It means she has to make adjustment of _____ for finalization of accounts for the year ended 31.3.10. [1]
A. Rs. 300 as prepaid B. Rs. 300 as outstanding C. Rs. 200 as prepaid D. Rs. 200 as outstanding.

Qn.77) XYZ Company's trial balance shows trading purchase A/c Rs. 240000 and suspense A/c Rs. 20,000. while conducting internal audit of the interim accounts of the company the following facts were noticed [1]
a) Goods worth Rs. 5000 were omitted to be recorded in the purchase day book
b) Goods worth Rs. 2000 were purchased for the personal use of the proprietor.
c) Purchase day book for the month of June 05 was under cast by Rs. 5000
d) Rs. 5000 being purchase of office table was included in purchase day book of December 05
From the above details, the net purchase to be shown in Trading A/c will be
A. Rs. 240,000 B. Rs. 243,000 C. Rs. 250,000 D. Rs. 265,000

Qn.78) are those that are meant to be converted into cash in short term. [1]
A. Fictitious Assets B. Intangible Assets C. Fixed Assets D. Current or Floating Assets

Qn.79) 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.80) From the following details, how much should be charged to profit and loss A/c as bad debts during the current year. [1]
Provision for bad debts A/c as on 01.01.06 Rs. 20,000
Actual bad debts during 2005-06 Rs. 19,000
Debtors balance as on 31.12.06 Rs. 80,000.

Provision for bad debts to be made @ 5% of total debtors.

A. Rs. 3,000 B. Rs. 4,000 C. Rs. 2,600 D. Rs. 3,600

Qn.81) Bills Payable A/c is shown in the balance sheet under the head ____ [1]
A. Provision B. Reserves & Surplus C. Secured loans D. Current liabilities

Qn.82) Liability on bills discounted at the time of final accounts is treated as ____ [1]
A. not an liability B. current liability C. differed liability D. contingent liability

Qn.83) 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.84) As per principal of conservatism which of the following provision is/are not made in accounts? [1]
A. Provision for discount on debtors B. Provision for discount on creditors C. Provision for bad debts D. All of the above

Qn.85) A sells goods at 33 1/3% above cost. His sales were Rs 10,20,000 during the year. However, he sold damaged goods for Rs 20,000 costing Rs 30,000. This sale is included in Rs 10,20,000. The amount of gross profit is : [1]
A. Rs 1,90,000 B. Rs 2,50,000 C. Rs 2,40,000 D. Rs 2,00,000

Qn.86) If gross profit ratio is 25% on cost, it is ... % on sales. [1]
A. 33.33% B. 20% C. 25% D. 50%

Qn.87) Considering the following information, answer the question given below: [1]

Particulars	1st January Rs.	31 st December Rs.
Stock of raw materials	17400	18100
Work-in-progress	11,200	11,400
Stock of finished goods	41,500	40,700

During the year manufacturing overhead expenses amounted to Rs. 61,100, manufacturing wages to Rs. 40,400 and purchase of raw materials to Rs. 91,900. There were no other direct expenses. The manufacturing cost of finished goods produced were:

A. Rs. 131,600 B. Rs. 193,300 C. Rs. 191,900 D. Rs. 192,500

Qn.88) Which of the following is objective of preparation of balance sheet? [1]
A. To show financial position of a firm. B. To show the nature and value of assets, the nature and value of liabilities and the position of capital. C. (a) or (b) D. (a) & (b)

Qn.89) [1]

Purchases	Rs 90,000
Sales	Rs 80,00
Profit	20% of sales

Closing stock?

A. 10,000 B. 20,000 C. 6,000 D. 26,000

Qn.90) Book Paradise is a well established book stores in Hyderabad. The balance of Sundry debtors as on april01 ,10 and March 31, 11 was Rs.4,00,000 and Rs 3,00,000 respectively. During the year 2010 – 11 , an amount of rs.10,000 is written off as an bad debts [1]
A. Rs. 25,000 B. Rs. 5,000 C. RS.10,000 D. RS.15,000

Qn.91) Gross profit or gross loss revealed by trading account is transferred to..... [1]
A. Balance Sheet B. Profit & Loss Account C. Manufacturing Account D. Profit & Loss Appropriation Account

Qn.92) 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.93) From the following details calculate net sales to be shown in trading and profit and loss A/c [1]
Total sales of Rs. 210,000 includes the following
 a) Credit sales of Rs. 65,000
 b) Goods send to consignee Rs. 25000
 c) Sale of old office equipment Rs. 5,000
 d) Goods send on sale or return basis Rs. 10,000
 A. Rs. 170,000 B. Rs. 185,000 C. Rs. 165,000 D. Rs. 145,000

Qn.94) Which of the following equation is incorrect? [1]
 A. Cost of good sold + gross profit = sales B. Gross loss = Cost of the goods sold - sales C. Cost of good sold = - opening stock + purchases - closing stock D. None of the Above

Qn.95) 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.96) Extract of trial balance of Mr. Q is as follows: [1]

articulars	Dr. Rs.	Cr. Rs.
Sundry debtors	1,00,000	-
Sundry creditors	-	78,000

Additional information:Included in sundry debtors Rs. 5,000 due from Mr. A. Included in sundry creditors Rs. 2,000 payable to Mr. A. Sundry debtors and creditors will appear in balance sheet at Rs..... &Rs.....
 A. 97,000, 75,000 B. 98,000,76,000 C. 95,000,76,000 D. 98,000,72,000

Qn.97) 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.98) [1]

Cash Sales	50,000
Cash collected from debtors	1,30,000
Debtors at the beginning	10,000

Bad debts during the year	5,000
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Total Sales will be:

A. Rs. 175,000 B. Rs. 170,000 C. Rs. 180,000 D. Rs. 178,000

Qn.99) If sales are Rs. 40,000; cost of goods sold is Rs. 31,000 and operating expenses are Rs. 6,000, the gross profit is [1]
 A. 3,000 B. 9,000 C. 3,400#d] 6,000 D.

Qn.100) Arrange the following assets as per permanence order. Cash & Bank Building Investment Stock [1]
 A. II, III, I, IV B. I, II, III, IV C. I, IV, III, II D. II, IV, III, I